

# **REAL ESTATE PURCHASE AND SALE AGREEMENT**

**No. 560-5.06-5670**

**and**

## **Option to Purchase Property**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of October, 2006, by and between Plum Creek Maine Timberlands, L.L.C., formerly known as SDW Timber II, L.L.C., a Delaware limited liability company ("Seller"), whose address is 999 Third Avenue, Suite 4300, Seattle, Washington 98104, and The Nature Conservancy, a non-profit corporation of the District of Columbia, whose address is 4245 N. Fairfax Drive, Arlington, Virginia 22203-1606, hereinafter called the "Purchaser." The term "Purchaser" is intended to include the permitted assigns of the parties hereto.

In consideration of the mutual covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, and subject to all terms of this Agreement, Seller agrees to sell and convey to the Purchaser and the Purchaser agrees to purchase from the Seller and take fee title to that certain real property hereinafter described (the "Sale Property") including Seller's rights, privileges, advantages, and appurtenances thereunto belonging or in any way appertaining thereto, but only to the extent belonging or appertaining to the Sale Property, including without limitation all improvements and fixtures thereon, easements, reversions, remainders, all water and water rights, ditches and ditch rights, easements and crossing rights appurtenant to the Sale Property, and all historical and prescriptive rights of access used in connection with the Sale Property, whether or not of record; all oil, gas and minerals appurtenant to the Sale Property not reserved or severed by Seller's predecessors in title; and all timber standing and down located on the Sale Property subject to the terms and conditions hereinafter contained (such interests are referred to hereinafter, collectively, as the "Sale Property").

Further, in consideration of the mutual covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, and subject to all terms of this Agreement, Seller agrees to sell and convey to the Purchaser and Purchaser agrees to purchase from the Seller a conservation easement as hereinafter described, over certain real property of Seller, (such interests are referred to hereinafter, collectively, as the "Mooshead Easement Property").

The parties agree to the following terms and conditions:



1. Description of Sale Property.

a. Headwaters of the Moose River:

(i) Fee simple interest in approximately 15,000 acres (hereinafter referred to as "Bog Phase I Property"), situated in Bradstreet, Raytown, and Appleton Townships, Somerset County, Maine, located approximately as shown as "Bog Phase I" on the map attached hereto as Exhibit "A" and incorporated herein by this reference as though fully set forth. The sale of the Bog Phase I Property is subject to the grant of an option to purchase and the potential conveyance of approximately 4,821 acres of the Bog Phase I Property pursuant to the terms and conditions of Paragraph 4(d) hereof.

(ii) Fee simple interest in approximately 30,160 acres (hereinafter referred to as "Bog Phase II Property", and together with the Bog Phase I Property, the "Bog Properties")) situated in Appleton, Raytown, Bradstreet, and Hobbstown Townships, Somerset County, Maine, located approximately as shown as "Bog Phase II" on such Exhibit "A."

b. Roaches. Fee simple interest in approximately 30,000 acres in the aggregate (hereinafter referred to as the "Roaches Property") situated in Bowdoin College Grant East, T1 12 WELS, and Shawtown Townships, Piscataquis County, Maine, located approximately as shown on the map attached hereto as Exhibit "B" and incorporated herein by this reference as though fully set forth. The Roaches Property will be conveyed subject to certain permanent easement rights in the public for the ITS snowmobile trail as provided in the Plan, located approximately as shown on such Exhibit "B." In addition, the Roaches Property will be conveyed subject to certain ATV trail easement rights as further described in Paragraph 7(e) hereof, and certain reserved rights of the Seller to access and remove gravel as further described in Paragraph 7(f) hereof..

2. Description of Conservation Easement. A conservation easement substantially in the form attached hereto as Exhibit "C" and incorporated herein by this reference as though fully set forth (hereinafter, the "Moosehead Legacy Easement") covering approximately 270,000 acres in the aggregate situated in Sapling, Elliottsville, Thorndike, Long Pond, Squaretown, Indian Stream, Chase Stream, Misery, Misery Gore, Sandwich Academy Grant, Rockwood Strip, Brassua, Soldiertown, West Middlesex Canal Grant, Big W, Lily Bay, Beaver Cove, and Bowdoin College Grant West Townships, Somerset and Piscataquis Counties, Maine, located approximately as shown on the map attached hereto as Exhibit "D" and incorporated herein (the "Moosehead Easement Property," and together with the Sale Property, the "Property"). The Seller and Purchaser agree to work together in good faith to make such minor revisions to the form of the Conservation Easement as the parties may mutually agree. The final legal description for the Moosehead Easement Property shall not include property owned by Seller or any of its affiliates that is subject to existing cabin lot leases (the total being approximately 50 acres). The minimum lot size for this carve out acreage shall be one acre each. Further, the number of acres comprising the Moosehead Easement Property may be reduced pursuant to Paragraph 6(a)(iv) below. The Moosehead Legacy Easement closing may be broken out into two



packages of approximately equal acreages, hereinafter referred to as "Easement East" and "Easement West," the legal descriptions of which shall be determined by mutual agreement of the parties by not later than December 31, 2006.

3. Purchase Price and Terms for the Sale Property and Moosehead Legacy Easement.  
The purchase price for the Property is Thirty-Five Million Dollars (\$35,000,000.00), allocated as follows:

(a) The purchase price for the Bog Phase I Property and the Bog Phase II Property shall be Ten Million Two Hundred and Fifty Thousand Dollars (\$10,250,000.00) (the "Bog Properties Purchase Price"), subject to adjustment as provided in paragraph (e) below.

(b) The purchase price for the Roaches Property shall be Fourteen Million Seven Hundred and Fifty Thousand Dollars (\$14,750,000.00) (the "Roaches Purchase Price"), subject to adjustment as provided in paragraph (e) below.

(c) The purchase price for the Moosehead Legacy Easement is Ten Million Dollars (\$10,000,000.00) (hereinafter, the "Easement Purchase Price").

(d) At each Closing (defined below), Purchaser shall pay Seller by wire transfer or otherwise immediately available federal funds the Bog Properties Purchase Price, the Roaches Purchase Price, or the Easement Purchase Price for each such phase.

(e) Any unpaid purchase price described in Paragraphs 3(a), 3(b) or 3(c) above (the Bog Properties Purchase Price, the Roaches Purchase Price and the Easement Purchase Price) remaining subsequent to the Initial Closing described in Paragraph 4(c) below will be adjusted upward at the rate of four percent (4%) per year from and after the first 12 month period following LURC approval and Seller's acceptance of the Plan until the Closing of each of the properties.

(f) The parties acknowledge and agree that the Roaches Purchase Price is based on appraisals that were conducted by Sewall and LandVest that contain certain assumptions regarding land use. In the event Seller's submittals for the Plan result in a change in land use standards with respect to the Roaches Property which invalidates the appraisal assumptions, Seller shall either (i) allocate at least three (3) development rights from the Plan's total number of development rights to the Roaches to validate the appraisals and the Purchase Price or (ii) lower the Roaches Purchase Price to reflect the average of the updated appraisals by Sewall and LandVest which shall include the new assumptions regarding land use standards and the original effective day of the appraisal

(g) The parties agree that the acres stated above for the Sale Property and the Moosehead Easement Property are based upon Seller's GIS records. There is no warranty of acreage, express or implied. The only possible adjustment in acreage and Purchase Price for any discrepancy in acreage would be as determined by a formal survey prepared by a Maine licensed



surveyor of an area or areas of the properties described. If Purchaser elects to undertake such a survey, the cost of any such survey shall be borne by Purchaser.

4. Time and Place of Closing; Escrow.

(a) Upon mutual execution, the parties shall deposit a copy of this Agreement, and such other documents and monies, as are required hereby into escrow established with Jensen, Baird, Gardner and Henry, 10 Free Street, Portland, Maine 04112 (the "Escrow Agent"). Each closing shall take place at the offices of the Escrow Agent. Closing shall mean the point at which all documentation and monies required to close each transaction have been delivered to escrow, including signed escrow instructions ("Closing").

(b) The Sale Property and Moosehead Legacy Easement may be purchased in up to four phases at four separate closings in any order as determined by Purchaser or any assignee of Purchaser. The following are the required closing tracts:

- (i) Bog Phase I Property and Bog Phase II Property
- (ii) Easement East
- (iii) Easement West
- (iv) Roaches Property North
- (v) Roaches Property South

(c) Subject to the contingencies contained in Paragraph 6 hereof, Purchaser must close on properties, the value of which total a minimum of Twenty Million Dollars (\$20,000,000.00) by December 15, 2007 (the "Initial Closing"), and all properties and easements must be purchased within five (5) years of the Land Use Regulation Commission (hereinafter, "LURC") approval of a long-term concept plan and Seller's acceptance of a Plan for its lands in the Moosehead region of Maine (hereinafter, the "Plan") in accordance with the terms of Paragraph 6(a) hereof. In the event the contingencies contained in Paragraph 6 hereof have not been met or waived by December 15, 2007, then the Initial Closing shall occur within thirty (30) days after Seller's notice to Purchaser of the satisfaction or waiver of such contingencies. Seller shall have the right to terminate this Agreement (i) at any time in the event Seller elects to not proceed with its application to LURC; or (ii) if LURC has not approved a Plan to Seller's sole satisfaction within 18 months from the date hereof as further provided in Paragraph 6(a) below, if any appeals have not been resolved within twelve (12) months of LURC's approval of a Plan to Seller's satisfaction, and Seller elects to not proceed with its application to LURC. In the event LURC does not approve Seller's Plan, either party may terminate this Agreement. Not later than June 15, 2007, or thirty (30) days after the date of LURC approval, whichever is later, Purchaser must notify Seller of the properties it wishes to purchase in the Initial Closing (the "Initial Properties"). Seller shall have five (5) business days within which to approve the Initial



Properties. If Seller does not notify Purchaser within such five business day period of its disapproval, the Initial Properties as determined by Purchaser shall be deemed approved. If Seller disapproves the Initial Properties within such five business day period, Seller and Purchaser agree to work together in good faith to determine the Initial Properties. In the event any portion of the Initial Properties must be surveyed in order to determine an accurate legal description for conveyancing purposes, Purchaser shall bear the cost of any such survey. .

(d) As an accommodation to Purchaser and to allow Purchaser to pursue certain funding that may be available for the acquisition of approximately 4,821 acres of the Bog Phase I Property (hereinafter, the "Bog Phase I LMF Option Property" which is located approximately as shown on Exhibit E attached hereto), Seller hereby grants to Purchaser an Option to acquire the Bog Phase I Option Property at the price of \$1,387,000.00 (the "Bog Option"). Seller and Purchaser intend that the entire Bog Phase I Property will be purchased pursuant to this Purchase and Sale Agreement; however, in the event Seller cannot meet or waive the contingencies described in Paragraph 6(a) below, Seller has agreed that it will sell the Bog Phase I LMF Option Property to Purchaser even if this Agreement is terminated with respect to all other portions of the Property. In the event Purchaser wishes to exercise its option to acquire the Bog Phase I LMF Option Property, it must so notify Seller not later than sixty (60) days after LURC's disapproval or Seller's rejection of the Plan and passing of the appeals period, or the earlier termination of this Agreement by Seller, and the closing must occur not later than thirty (30) days after such notification. In the event Purchaser exercises its option to acquire the Bog Phase I Option LMF Property, the terms and conditions of Paragraphs 5, 7(a), (b), (c) and (d), and 8 through 31 hereof shall apply.

(e) Closing is further contingent on the matters described in Paragraphs 6(a) and 6(b) hereof.

#### 5. Condition of Title, Title Insurance, Deed and Easements.

(a) As of the Closing Date for each phase, and at the time of recording of all deeds or easements from Seller to Purchaser for the Sale Property and the Moosehead Easement Property, title is to be free of all encumbrances or defects except those listed in the preliminary commitments for title insurance deemed to be permitted exceptions as described below; the Permitted Encumbrances described on Exhibit "F" attached hereto; and those written temporary encumbrances that affect the Sale Property to be disclosed to Purchaser by providing Purchaser with a complete copy thereof within thirty (30) days of the date hereof (the "Temporary Encumbrances"). Purchaser agrees to accept such Temporary Encumbrances so long as (i) the Temporary Encumbrances are usual and customary in the business of timberland management and (ii) do not have a material adverse affect on Purchaser's intended use of the property so affected. Purchaser acknowledges and agrees that there is one (1) lease that covers a lot within the Bog Property on Chubb Pond in Hobbstown, described as Lease T4 R6 WKR in favor of Mary Jane Rinfret, and Purchaser will accept such as a Temporary Encumbrance at Closing. At each Closing for the Sale Property, Seller shall assign and Purchaser shall assume Seller's rights, duties, obligations and liabilities under the Temporary Encumbrances pursuant to an Assignment and Assumption Agreement substantially in the form attached hereto as Exhibit "G" for the Sale



Property included in each such phase. The Properties shall be conveyed free of monetary encumbrances and all monetary encumbrances to be discharged by Seller shall be paid from Seller's funds at the Closing Date if not sooner paid off.

(b) At each Closing, Seller shall cause the Escrow Agent to provide to Purchaser a standard form (ALTA Owner's Policy rev. 2005) Owner's or Purchaser's Policy of Title Insurance in the amount of the Purchase Price for each tract and property interest to be acquired at Seller's expense. Upon full execution hereof, Seller shall order a preliminary commitment for title insurance for the Sale Property and the Moosehead Easement Property and shall provide to Purchaser copies thereof, together with copies of all documents referenced in the legal description referred to in the commitment and of special exceptions referenced in such commitment to Purchaser as soon as possible. The commitment may include as part of the title insurance coverage the affirmative coverage specified in Endorsements Nos. 1 and Nos. 2 attached hereto as Exhibit M. Purchaser shall have until close of business on the forty-fifth (45<sup>th</sup>) day after Purchaser's receipt of such title commitments ("Title Review Period") to notify Seller of any objections Purchaser has to any matters shown or referred to in the title commitments. Any title encumbrances or exceptions set forth in the title commitments to which Purchaser does not object (other than monetary encumbrances which will be discharged by Seller by or prior to closing) during the Title Review Period and the Permitted Encumbrances specified shall collectively be deemed to be permitted exceptions to the status of Seller's title at Closing (the "Permitted Exceptions"). With regard to items to which Purchaser does object within the Title Review Period specified, Seller shall attempt to cure and remove such items prior to Closing. If Seller is unable or fails to cure or remove such items within twenty (20) days of Purchaser's notice, Purchaser may either waive its objection and proceed with closing, or terminate this Agreement by written notice to Seller within five (5) business days of expiration of such twenty (20) day period, unless the parties agree to extend the respective periods for resolution of outstanding title issues and/or for closing. If Purchaser fails to give such notice to Seller within the time specified, the objection(s) shall be deemed waived by the Purchaser. The foregoing notwithstanding, if a title objection relates to an inadequate legal description, the parties may (i) seek an endorsement from the title insurer to insure over such objections; or (ii) carve out such tract or tracts and reduce the Purchase Price on a per-acre basis.

For each phase and interest to be acquired at each closing, Seller shall cause the applicable title commitment to be updated and shall deliver copies of the updated commitment and of all newly referenced exceptions or documents to Purchaser and its counsel, Hans P. Birle, The Nature Conservancy, 11 Avenue De Lafayette, Boston, MA 02111.

(c) At each Closing for the Property, the Seller shall execute and deliver to Purchaser a Quitclaim Deed with Covenant (the "Deed") to the Sale Property or Conservation Easement with Quitclaim Covenant to the Moosehead Easement Property, as applicable, warranting title against the claims of all persons claiming by, through or under Seller, but against none other. The Deed and Conservation Easement shall be free of encumbrances or defects except the Permitted Exceptions. The legal descriptions shall provide historic legal descriptions adequate for conveyancing purposes in the State of Maine, with specific references by book and



page to carve-outs, exceptions to title and appurtenant and reserved easements and shall describe the properties shown on the GIS maps attached as Exhibits A, B and D.

(i) The Deed shall be in the form attached hereto as Exhibit "H," and incorporated herein by this reference as though fully set forth. The Deeds shall be subject to Seller's reserved easement rights over and across existing roads, located as shown on Exhibits "K-1" and "K-2" and further, subject to the terms and conditions contained on Exhibit "L," each of which is attached hereto and incorporated by this reference as though fully set forth.

(ii) At each Closing for the Moosehead Conservation Easement, Seller shall execute and deliver to Purchaser a conservation easement substantially in the form attached as Exhibit "C" and incorporated herein by this reference as though fully set forth.

(d) At each Closing, the Bog Phase I Property, the Bog Phase II Property and the Roaches Property shall each be conveyed together with any appurtenant easement rights owned by Seller, if any. In addition, in the event such properties do not have any appurtenant easement rights through third party ownership or are not otherwise accessed by public roads, and if such properties are adjacent to other properties that will continue to be owned by Seller after Closing, Seller agrees that it will grant to Purchaser such permanent, nonexclusive easements as may be reasonably required in order for Purchaser to access the Property on terms similar to the terms contained on Exhibit "L" attached hereto. In addition, Purchaser acknowledges and agrees that during certain periods of the year, vehicular use of the road must be prohibited or limited to prevent damage to the road and the surrounding environment. The easement grants from Seller to Purchaser shall contain a provision that Seller may, in its sole discretion, control the access granted in such easements by a locked gate or gates and such other measures reasonably necessary to prevent unauthorized vehicle access across the roadway. In the event Seller establishes a locked gate or gates to control access as provided herein, Seller shall so notify Purchaser and provide keys to Purchaser for Purchaser's use. Both parties, on behalf of themselves and their respective successors and assigns, agree that any such gate will be closed and locked at such times as determined by Seller to prevent damage to the road and surrounding environment. The parties hereto shall use their reasonable efforts to prevent unauthorized vehicle traffic behind any such gate.

## 6. Contingencies.

a. Seller's obligation to consummate the transactions herein contemplated are contingent as follows:

(i) The sale of the Bog II Property is contingent upon (x) S.D. Warren Company not exercising its right of first offer with respect to such property; and (y) Seller's ability to secure approval by S.D. Warren Company for assignment of the obligation of its affiliate, Plum Creek Marketing, Inc., under that certain Fiber Supply Agreement dated November 12, 1998 between Plum Creek Marketing, Inc. and S.D. Warren Company



(hereinafter, the "Fiber Supply Agreement"), pursuant to terms and conditions acceptable to Seller in Seller's sole discretion.

(iii) LURC must have approved the Plan within eighteen (18) months of the date hereof to Seller's sole satisfaction, and any and all appeals must have been resolved and appeal periods must have expired to Seller's sole satisfaction within twelve (12) months of LURC's approval.

(iii) In the event that LURC requires an increase in the number of acres to be placed under conservation pursuant to the Plan, and Seller agrees to such requirement, at Seller's sole discretion the number of acres comprising the Moosehead Easement Property may be reduced by the number of additional acres Seller desires to be placed under conservation pursuant to LURC's review of the Plan. In such event, Seller shall have the right to determine the specific acres of the Moosehead Easement Property that will be deleted from the Moosehead Legacy Easement. In the event the number of acres comprising the Moosehead Legacy Easement is reduced pursuant to this Paragraph, the Easement Purchase Price shall be reduced by the amount of \$37.00 per acre for all such acres so removed.

(iv) The foregoing notwithstanding, Seller may, in Seller's sole discretion, withdraw its LURC application at any time in which event this Agreement shall automatically terminate and be of no further force or effect.

(b) Purchaser's obligation to consummate the transactions herein contemplated is contingent as follows:

(i) Purchaser must receive approval from its Board of Directors by not later October 22, 2006

(ii) With respect to the closing on the Bog Phase II Property only, Seller shall have received approval for the assignment of and a release from S.D. Warren Company of the Fiber Supply Agreement with respect to such Bog Phase II Property, on terms and conditions acceptable to Seller in Seller's sole discretion. Seller agrees that it shall use good faith efforts to obtain such approval and release within ninety (90) days of Seller's receipt of notice of Purchaser's waiver of its board contingency approval described in Paragraph 6(b)(i) above.

(iii) Satisfactory review of the status of Seller's title pursuant to Paragraph 5 hereof.

7. Inspection; Condition of Sale Property; Subsequent Acts.

(a) The Purchaser acknowledges that full inspection of the Property has been made or will have been made by the initial Closing Date by the Purchaser and that neither the Seller nor its agents, officers, employees or assigns shall be held to any covenant respecting the condition of the Property or any improvements thereon nor shall the Purchaser or Seller or the



assigns of either be held to any covenant or agreement for alterations, improvements or repairs unless the covenant or agreement relied on is contained herein or is in writing and attached to and made a part of this Agreement. Purchaser acknowledges and agrees that any documents, cruises, compilations, timber inventories, surveys, plans, specifications, reports and studies (the "Information") made available to Purchaser by Seller are provided as information only and Seller makes no warranty whatsoever with respect to the accuracy or completeness of the Information.

(b) Purchaser specifically acknowledges and agrees that (1) Seller, except as set forth in Seller's limited warranty of title in the Deed and Conservation Easement and as set forth in Paragraph 8 below, does not make any representations or warranties of any kind whatsoever, either express or implied, with respect to and shall have no liability for the Property (or any related matters), and (2) the Sale Property is sold to Purchaser in an "AS IS" and "**WITH ALL FAULTS**" condition as of the Closing, including, without limitation, (i) the number of acres comprising the Sale Property; (ii) the volume, condition or quality of timber on the Sale Property; (iii) logging conditions or feasibility; (iv) the existence, volume, condition or quality of minerals on the Sale Property; (v) the stability of soils; (vi) suitability, habitability, merchantability or fitness of the Sale Property for any construction or development, or for the Purchaser's intended use; (vii) the condition of any building structure or improvements on the Sale Property; (viii) encroachment or boundary questions; (ix) compliance with any laws; (x) drainage, availability or adequacy of water, sewer or other utilities, zoning, access and similar matters; or (xi) any other matters related to the Sale Property. Except for the Seller's warranty of title in the Deed and Conservation Easement and except as set forth in Paragraph 8 and 10 below, Purchaser, for itself and its successors and assigns, hereby waives and releases Seller from any and all contractual, statutory, common law, and/or other liabilities, obligations, claims or causes of action, known or unknown, which the Purchaser or its successors or assigns may have or be entitled to against the Seller arising in whole or in part of, or relating or connected in any way to, the condition of the Sale Property including, but not limited to, any such liabilities, obligations, claims or causes of action based in whole or in part upon any applicable federal, state or local environmental law, rule or regulation. Closing shall constitute Purchaser's acknowledgment to Seller that Purchaser has fully inspected the Property and Purchaser assumes the responsibility and risks of all defects and conditions, including such defects and conditions, if any, that cannot be observed by casual inspection, except for the Seller's warranty of title in the Deed and Conservation Easement and as set forth in Paragraph 8 and 10 below. Seller and Purchaser acknowledge that this disclaimer and release have been specifically negotiated.

(c) Between the date of this Agreement and the Closing Date and recording of the deed for each phase, the Seller shall maintain and keep the Property in substantially the same condition as existed on the date of this Agreement. The Seller shall not encumber the Property without the prior written consent of Purchaser. The foregoing notwithstanding, Seller may conduct harvesting activities on the Property pursuant to the following terms and conditions:

(i) Prior to the beginning of each calendar quarter, Seller shall submit a harvest plan to Purchaser for Purchaser's review that describes harvesting activities to be commenced during the ensuing calendar quarter on the Roaches Property and the Bog Properties. So long as harvesting activities conform with applicable law and the standards established under



the Sustainable Forestry Initiative, Purchaser cannot object to any such harvest plan. Purchaser must raise any objections within ten (10) business days of Purchaser's receipt of a proposed harvest plan or Purchaser shall be deemed to have accepted such harvest plan.

(ii) The Roaches Property. Seller may harvest timber on the Roaches Property in the ordinary course of business from the date hereof until the Closing of the Roaches Property up to the amount of growth on the Roaches Property. Seller and Purchaser have determined the growth rate to be 0.44 cords/acre/year for a total of 22,758 cords of allowed harvest. Such harvest shall be based on an average value and product mix derived from the current inventory on the Roaches Property, for the two year period covered by the Agreement. The Purchaser shall have the right to monitor such harvests and if necessary engage the services of an independent third party to confirm the volume of the timber harvested under this provision.

(iii) The Bog Properties. Seller may harvest timber on the Bog Properties in the ordinary course of business from the date hereof until December 31, 2007. Seller may harvest up to [REDACTED] cords per calendar year during 2006 and 2007 (the "Maximum Yearly Harvest Volume"). The total value of all timber harvested on the Bog Properties from December 31, 2005 through December 31, 2007, will not exceed [REDACTED], as determined by mill scale volumes and pricing by product and species as contained in the Sewall appraisal of July 31, 2006 (the "Price Limit"). Seller may cumulate the Maximum Yearly Harvest Volume and Price Limit for 2006 into 2007. Due to potential adverse weather conditions or other factors beyond Seller's reasonable control, Seller will have a period of up to six months following December 31, 2007 in order to complete any harvesting activities previously initiated. The Purchaser shall have the right to monitor such harvests and if necessary engage the services of an independent third party to confirm the volume of the timber harvested under this provision.

(iv) Seller may conduct harvesting activities on the Moosehead Easement Property so long as such activities are performed pursuant to applicable law and the principles of the Sustainable Forestry Initiative of the American Forest and Paper Association.

(d) From and after full execution hereof and until Closing of each phase described above, Purchaser, together with its partners, agents consultants, contractors, employees and representatives may enter upon the Property for purposes of inspection; provided, however, that nothing contained in this Paragraph 7(d) shall be construed as to provide a contingency or right in the Purchaser to terminate this Agreement as the result of any such inspection; provided, however, that Purchaser shall have the right to terminate this Agreement pursuant to the provisions of Paragraph 8.C. hereof. Purchaser shall indemnify, defend and hold harmless Seller from any and all demands, claims, causes of action, losses, costs, damages or liabilities resulting to, imposed on, or incurred by Seller as a result of any act or omission of Purchaser, or any of Purchaser's partners, agents, consultants, contractors, employees or representatives in connection with an entry on or investigation or examination of the Property prior to the Closing for each



phase. The indemnification obligation of Purchaser with respect to this Paragraph 6(d) shall survive the date of closing or the termination of this Agreement.

(e) Purchaser acknowledges that trails exist over and across the Roaches Property that have historically been used for all-terrain vehicle ("ATV") use by members of the public. With respect to the ATV trails, Seller and Purchaser agree as follows:

(i) Purchaser agrees to work with the State of Maine in good faith to transfer or sell land for the purpose of or otherwise provide for the placement of a connector trail across that portion of the Roaches Property located in T1 R12 for ATV use specifically to connect to the State of Maine's Namahkanta property. This ATV trail is located approximately as shown on Exhibit B and labeled "Northern Tier ATV Route" attached hereto and incorporated herein by this reference as though fully set forth.

(ii) With respect to that portion of the ATV trails located within the Roaches Property located in Shawtown, located approximated as shown on Exhibit B and labeled "Southern Tier ATV Route," Seller agrees that it shall work cooperatively with Purchaser, the Appalachian Mountain Club, and ATV trail groups to move the existing Southern ATV Route completely on to adjacent property in Frenchtown owned by Seller prior to Closing. The location of the Southern ATV Route must be mutually agreed upon between the parties. The Southern ATV Route must connect with the other existing ATV trails on Seller's property. The expenses involved in moving and constructing the ATV Trail, including but not limited to any surveying work, engineering, constructing the trail or any bridges that may be required, obtaining any permits, construction materials, etc., shall be borne entirely by Purchaser. The construction of the new Southern ATV Route must be in full compliance with existing rules, laws and regulations including, but not limited to, the Best Management Practices of the State of Maine. In addition, the Southern ATV Route must be constructed in accordance with the Sustainable Forestry Initiative of the American Forest and Paper Association 2005-2009 standards. Seller shall continue to allow use of the Southern ATV Route in its discretion until Closing. Should the new ATV route not be completed by closing, the Purchaser agrees to work to find a way to maintain trail connectivity in the interim, until such new ATV route is completed. In any event, Purchaser covenants that it will either (x) relocate the existing route at its expense; (y) establish a new route to maintain trail connectivity; or (z) allow use of the existing trail until the existing trail is relocated such that connectivity and use is not interrupted. The provisions of this Paragraph shall survive Closing.

(iii) The Roaches Property will be conveyed subject to a permanent easement in the public for that portion of the ATV routes shown on Exhibit B and labeled "Permanent ATV Route." The terms and conditions relating to the Permanent ATV Route are attached hereto as Exhibit "B-1" and incorporated herein by this reference as though fully set forth.

(f) At the Closing for the Roaches Property, Seller shall reserve for itself, its successors, assigns and affiliates, the right, easement and profit to enter upon the gravel pit located upon the Roaches Property for the purposes of accessing and removing (by quarrying or otherwise) gravel and rock from the area shown on Exhibit B-1, provided that such gravel and



rock are used solely for the construction, maintenance, repair, upgrade and upkeep of forest roads (including forest roads that have multiple uses) and/or associated culverts, ditches, bridges, embankments, and other roadway improvements located on other lands now or hereafter owned by Seller or any of Seller's affiliates (the "Gravel Reservation"). The Gravel Reservation shall be subject to the following conditions:

(i) Seller shall have the right to remove up to three hundred (300) loads of gravel and/or rock each calendar year, without compensation to Purchaser, for a period of fifteen (15) years from the date of Closing. Shortages in gravel and/or other minerals removed in any year may be carried over to subsequent years (and excess loads shall be allowed in such years), provided that a rolling average of 300 loads per year is not exceeded in any five-year period.

(ii) Seller shall have the right to remove additional loads of gravel and/or rock (x) during the period of fifteen (15) years from the date of Closing, in excess of the amounts set forth above, and (y) following the fifteen (15) year period, in any amount, provided in each case that (aa) Purchaser shall have not closed the gravel pit; and (bb) Seller shall compensate Purchaser for such excess loads at the then-prevailing fair market value for similar products in the region in which the premises are located.

(iii) Further, Purchaser agrees that until such time as Purchaser shall close the gravel pit, it shall make gravel and/or rock available for sale to current and future owners of any of the First Roach Pond subdivisions at the then-prevailing fair market value for similar products in the region in which the gravel pit is located.

(iv) All costs of the removal of gravel and/or rock removed by Seller or others pursuant to this Gravel Reservation will be borne by the person removing the gravel or rock, including, without limitation, all costs resulting from regulatory requirements as they may exist from time to time.

Prior to Closing, Seller and Purchaser shall agree upon an instrument in recordable form to evidence Purchaser's obligations under this Paragraph 7(f).

## 8. Representations and Warranties of Seller.

A. Representations and Warranties that Survive Closing. Notwithstanding anything to the contrary in this Agreement, Seller represents and warrants to Purchaser each of the following as of this date and as of the date of each phase's Closing and recording of each phase's deed or Conservation Easement, and these representations and warranties shall survive closing and not be deemed merged with any of the documents executed and delivered at closing:

8.1 Organization. Plum Creek Maine Timberlands, L.L.C. is a limited liability company duly organized and validly existing under the laws of the State of Delaware.



8.2 Good Standing. Seller is qualified to conduct business in the state of its organization and the State of Maine.

8.3 Power and Authority for Transaction. Seller has the power and authority to execute, deliver and perform this Agreement and the transactions contemplated herein in accordance with the terms hereof.

8.4 Authorization. Subject to obtaining approval by Seller's board of directors, the execution and delivery by Seller of this Agreement and the due consummation of the transactions contemplated herein have been duly and validly authorized by all necessary corporate actions on the part of Seller and this Agreement constitutes a valid and legally binding agreement of Seller subject to all terms and conditions herein contained.

8.5 No Violation. Neither the execution and delivery of this Agreement by Seller nor the consummation by Seller of the transactions contemplated herein constitutes (i) a violation of Seller's organizational documentation, or (ii) results in the breach of or the imposition of any lien on the Sale Property pursuant to, or constitutes a material default under, any indenture or bank loan or credit agreement or other agreement or instrument to which Seller is a party or by which it or its property may be bound or affected.

B. Representations and Warranties that Expire. Notwithstanding anything to the contrary in this Agreement, Seller represents and warrants to Purchaser each of the following as of this date and as of the date of each phase's Closing and recording of each phase's deed and these representations and warranties shall survive closing for a period of one year after the recording of the deed for each phase and shall thereafter terminate.

8.6 Environmental Matters. To Seller's Actual Knowledge (as hereinafter defined):

- (i) there exists no pending or threatened administrative action, litigation or legal proceeding, investigation or enforcement action, against or relating to the Property with respect to environmental matters;
- (ii) the Property is not in violation of any federal, state or local environmental law, statute or regulation;
- (iii) the Property has not been used for the release, generation, disposal handling, treatment, manufacture, deposit or storage of any hazardous materials or substances, solid waste or other environmental contamination in excess of levels permitted under applicable environmental laws;
- (iv) Seller has received no written notice from any federal, state or local governmental authority that the Sale Property is in violation of any applicable environmental laws.



- (v) As used in this Paragraph 8.6, the terms “applicable environmental laws,” “hazardous substance,” “release,” “solid waste,” and “disposal” (or disposed) have the meanings set forth in Paragraph 10 below.
- (vi) There are no underground storage tanks on the Property.

8.7 Seller warrants and represents to Purchaser that during the period of its ownership of the Sale Property, other than filing its application for the Maine Concept Plan with LURC and the potential fulfillment of the conditions therein contained upon its approval, Seller has not granted or entered into any unrecorded easements, rights of way, leases, conservation practices, deferred maintenance agreements, permits, licenses, use agreements or other agreements affecting the Property that will be in effect as of the Closing Date and recording of the deed, and that there are no agreements or understandings that will require Purchaser to expend funds or take action EXCEPT the Temporary Encumbrances or those disclosed to Purchaser in writing by thirty (30) days after execution of this agreement by both parties (“Disclosure Deadline”). Seller agrees that it shall execute and deliver an appropriate affidavit to the title insurer as to parties in possession at Closing.

8.8 Seller warrants to Purchaser that there has been no work done or materials supplied to the Property which might give rise to construction liens on the Property which might be recorded on or after the closing of each phase’s sale. Seller agrees that it shall execute and deliver an appropriate affidavit to the title insurer as to mechanics liens at Closing.

8.9 Seller warrants and represents to Seller’s Actual Knowledge that the Property is in compliance with all applicable laws and regulations; that Seller has not received any notice from any governmental agency that the Property or improvements thereon or the operations conducted thereon are in violation of any applicable statute, rule or regulation; and that Seller has not received any notice or other information from any person or entity indicating interest in acquisition by eminent domain of any interest in the Property.

8.10 Seller warrants and represents to Seller’s Actual Knowledge that there exists no pending or threatened litigation or legal proceeding against or relating to the Property.

8.11 Seller warrants and represents to Seller’s Actual Knowledge that Seller has not received and is not aware of any affirmative claim of right by any third party to easements or servitudes to or across the Property for recreational or other purposes, except for matters of record. Seller represents that during the period of its ownership of the Property, Seller has maintained a policy that the general public is permitted to use the Property for recreational purposes. Seller maintains such a policy of allowing permissive use in order, among other things, to prevent the establishment of any prescriptive easement or other legitimate claims on the part of members of the public to use or cross the Property.

8.12 Seller warrants and represents to Seller’s Actual Knowledge that Seller does not know of any encroachments, overlaps, boundary line disputes shortages in area, persons



in possession and other matters not of record which would be disclosed by an accurate survey or inspection of the Property, except as Seller discloses to Purchaser in writing by the Disclosure Deadline.

C. Seller agrees that the warranties and representations set forth above shall remain true and in effect throughout the term of this Agreement, and shall survive the closing of each phase as noted above. In the event that prior to any closing Purchaser discovers any facts with respect to the Property which are not consistent with the foregoing representations and warranties, Purchaser shall so notify Seller in writing of such facts. Seller shall have ten (10) business days from Seller's receipt of such notice to cure such breach of warranty or representation. In the event Seller is unable or unwilling to cure such breach during such cure period, Purchaser may, in its sole discretion, either (i) terminate this Agreement, in which event neither party shall have further rights or obligations under this Agreement; or (ii) waive its objections and proceed to close the affected phase of the transaction. In the event Purchaser elects to waive its objections and proceeds to closing, Purchaser specifically waives any claim against Seller for such breach which was discovered prior to the affected phase of closing.

"Knowledge" and "Actual Knowledge" as used in this Agreement with respect to the Seller shall mean actual current knowledge (as opposed to constructive or imputed knowledge or later refreshed recollection) (without any requirement of further investigation) of the fact or matter in question of James K. Lehner, General Manager, and Paul Davis, Resource Manager.

9. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller that as of this date and as of the date of the Closing:

9.1 Organization. Purchaser is a non-profit corporation duly organized and validly existing under the laws of the District of Columbia and has the corporate power to enter into this Agreement and to carry out the transactions contemplated herein in accordance with the terms hereof.

9.2. Authorization; No Violation or Conflicts. The execution and delivery of this Agreement by Purchaser and the due consummation of the transactions contemplated herein have been duly and validly authorized by all necessary corporate action on the part of Purchaser, and this Agreement constitutes a valid and legally binding agreement of Purchaser. Neither the execution and delivery of this Agreement by Purchaser nor the consummation by Purchaser of the transactions contemplated herein constitute a violation of Purchaser's charter or bylaws or other organizational documentation or agreements or result in the breach of, or the imposition of any lien on any assets of Purchaser pursuant to, or constitute a default under, any indenture or bank loan or credit agreement, or other agreement or instrument to which Purchaser is a party or by which it or any of its properties may be bound or affected. Except for consents, approvals, or authorizations which will have been obtained or actions which will have been taken on or prior to the Closing Date, no consent, approval, authorization or action by any governmental authority or any person or entity having legal rights against or jurisdiction over Purchaser is required in connection with the execution and delivery by Purchaser of this Agreement or for consummation by Purchaser of the transactions contemplated herein.



10. Environmental Release. Except with respect to a breach of Seller's representations and warranties contained in Paragraph 8.6 above, Purchaser releases Seller from all costs, losses, liabilities, obligations and claims, of any nature whatsoever, known and unknown, that Purchaser may have against Seller or that may arise in the future based in whole or in part upon (a) Seller's failure to comply with any applicable environmental laws, or (b) the presence, release or disposal of any hazardous substance, solid waste, or any other environmental contamination on, within, or from the Property before, as of, or after the date of closing collectively "Environmental Claims"). Provided, however, Purchaser does not release Seller for any Environmental Claims that Purchaser, its successors and assigns might have against Seller under applicable environmental laws if Seller would otherwise be liable to a governmental agency, municipality or other governmental entity, or any other person or entity and such governmental agency, municipality, governmental entity, or person or entity is proceeding, making a claim, or otherwise seeking contribution against Purchaser. As used in this Paragraph, the term "applicable environmental laws" shall mean all state, federal, or local laws, statutes, ordinances, rules, regulations or orders pertaining to health or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") and the Resource Conservation and Recovery Act of 1976 ("RCRA"), as each may be amended from time to time. As used herein, the terms "hazardous substance" and "release" have the meanings specified in CERCLA, and the terms "solid waste" and "disposal" (or "disposed") have the meanings specified in RCRA. If either CERCLA or RCRA is amended to broaden the meaning of any term defined thereby, the broader meaning shall apply to this Paragraph after the effective date of the amendment. Moreover, to the extent that Maine law establishes a meaning for "hazardous substance," "release," "solid waste," or "disposal" that is broader than that specified in either CERCLA or RCRA, the broader meaning shall apply. In addition, this Paragraph shall survive the date of closing for all purposes and shall not be deemed to have merged into any of the documents executed or delivered at closing.

11. Condemnation; Risk of Loss. Risk of loss or damage to the Property by condemnation, eminent domain or similar proceedings (or deed in lieu thereof), or by fire or any other casualty, from the date hereof through the Closing Date and recording of the Deed for each phase will be on Seller and thereafter will be on Purchaser. Seller shall promptly notify Purchaser of any of any material physical damages to the Property by fire, flood, windstorm, earthquake, or other similar occurrence or of condemnation or eminent domain proceedings threatened or commenced prior to each phase's Closing Date. Purchaser shall have fifteen (15) days after receipt of such notice to inspect the Property to determine whether any material loss has occurred or, with respect to condemnation, will occur. Purchaser shall have an additional ten (10) days thereafter within which to elect one of the following: (i) terminate this Agreement, in which event neither party shall have any further rights or obligations hereunder; or (ii) continue this Agreement in effect with an adjustment of the Purchase Price for the affected phase of the sale property. If Purchaser elects to continue this Agreement with respect to the affected phase, the Purchase Price shall be reduced to reflect the proportionate reduction in value of that phase of Property resulting or expected to result from the casualty or loss, in which event Seller shall be entitled to retain any compensation, awards, insurance proceeds or other payment or relief resulting from such casualty or loss. If the parties cannot agree upon the extent of diminution in



value of the Property within ten (10) days of receipt of Purchaser's notice under this Paragraph, then this Agreement shall terminate as to the affected phase, unless Purchaser elects to consummate the transaction in which event Seller shall assign to Purchaser all proceeds of insurance or condemnation awards, and Purchaser agrees to reimburse Seller the reasonable costs it incurred in procuring such proceeds or awards, if Seller's reasonable costs are awarded to the Purchaser as part of the condemnation or insurance proceeds.

At the recording of the deed for Closing for each phase of the Sale Property, the Purchaser assumes all hazards of damage to or destruction of the Sale Property subject to each such phase or improvements hereafter placed thereon, and of the taking of the Sale Property or any part thereof for public use; and agrees that no such damage, destruction or taking shall constitute a failure of consideration.

## 12. Closing

### 12.1 Closing Costs.

(a) Seller shall pay the following costs and expenses in connection with this transaction:

- (i) Seller's attorney fees, if any;
- (ii) All special assessment installments and special improvement district ("SID") assessment installments against the Sale Property that are due prior to the Closing Date;
- (iii) Title insurance premium attributable to standard coverage;
- (iv) One-half of escrow fees; and
- (v) Transfer tax due on the conveyance, if any..

(b) Purchaser shall pay the following costs and expenses in connection with this transaction:

- (i) Purchaser's attorney fees, if any;
- (ii) One-half of escrow fees;
- (iii) Recording fee for Deeds;
- (iv) Title insurance premium attributable to extended coverage, if any, or any endorsements.

### 12.2. Closing Instruments.

(a) Seller shall deliver to Escrow Agent the following on or before the Closing Date (provided, however, that Seller shall provide closing documents to Purchaser for review fifteen (15) days prior to Closing):

- (i) Deeds or Conservation Easement, as the case may be;
- (ii) Assignment and Assumption Agreement;



A standard coverage Policy of Title Insurance insuring Purchaser's interest in the Property in the amount of the Purchase Price and containing no exceptions other than Permitted Exceptions;

(b) Purchaser shall deliver to Escrow Agent the following on or before the Closing Date:

- (i) Cash in the amount of the Purchase Price for each phase
- (ii) Assignment and Assumption Agreement.

12.3 Pro Rations. Except as expressly set forth herein, Seller is responsible for all taxes and assessments accrued and other liabilities associated with the Sale Property until the recording of the deed for each phase, and Purchaser is responsible for all taxes and assessments accrued and other liabilities associated with the Sale Property after the recording of the deed for each phase. Property taxes, forest excise tax and tree growth tax for the current year, assessments, SID's, rents, water and other utilities shall be pro-rated as of Closing using the prior year's tax statement if necessary. If because of the timing of Closing, Seller will receive the Closing year's tax statement that includes additional property of Seller, Seller shall receive credit at closing for the portion of the Closing year's taxes owed by Purchaser and Seller shall pay the Closing year's taxes when due. Seller agrees to provide Purchaser evidence of such tax payment when paid. In the event the pro-ration calculated at closing is inaccurate based on actual taxes paid, Seller or Purchaser shall pay to the other all sums due within thirty (30) days of request for reimbursement.

13. Commission. Purchaser and Seller each represent and warrant to the other that no broker, agent or finder, licensed or otherwise has been engaged by it, respectively, in connection with the transaction contemplated by this Agreement. In the event of any such claim for broker's, agent's or finder's fee or commission in connection with the negotiation, execution or consummation of this transaction, the party upon whose alleged statement, representation or agreement such claim or liability arises shall indemnify, hold harmless and defend the other party from and against such claim and liability, including without limitation, reasonable attorney's fees and court costs. Purchaser and Seller acknowledge that the representations and warranties contained in this Paragraph shall survive each Closing.

14. Possession. Purchaser, subject to the easements, encumbrances, exceptions, restrictions, and reservations set forth above, shall be entitled to possession of the Property on the date deeds for the Sale Property in each phase are recorded.

15. Default. If either party defaults (that is, fails to perform the acts required of it) in its contractual performance herein, the non-defaulting party shall be entitled to exercise all rights and remedies available to it at law or equity, including but not limited to specific performance pursuant to the terms of this Agreement, damages or rescission.

16. Attorneys' Fees. If either party hereto is required to retain an attorney to bring suit to enforce any provision of this Agreement, the substantially prevailing party shall be



entitled to reasonable attorneys' fees regardless of whether at trial, on appeal, in any bankruptcy proceeding, in an arbitration or is resolved by the defaulting party curing such default..

17. Governing Law. This Agreement shall be interpreted, construed and enforced according to the laws of the State of Maine.

18. Notices. Subject to the requirements of any applicable statute, any notices required or permitted by law or under this Agreement shall be in writing and shall be (i) personally delivered; (ii) sent by first class certified or registered mail, return receipt requested, with postage prepaid; (iii) dispatched by facsimile transmission (accompanied with reasonable evidence of receipt of transmission and with a confirmation copy mailed no later than the day after transmission); or (iv) delivered by Federal Express or similar commercial courier to the parties' addresses set forth below. Either party may change such address for notice. All notices which are so addressed and paid for shall be deemed effective when personally delivered, delivered by commercial courier, dispatched by facsimile transmission or, if mailed, on the earlier of receipt or two (2) days after deposit thereof in the U.S. mail. Notices shall be directed as follows, or to such other address as a party shall designate:

**SELLER:**

Plum Creek Maine Timberlands, LLC  
999 Third Avenue, Suite 4300,  
Seattle, Washington 98104-4096  
Facsimile: 206.467.3799  
Attn. James A. Kraft, Sr. Vice President, General Counsel and Secretary  
(206) 467-3604 (phone)  
(206) 467-3799 (fax)

**PURCHASER:**

Tom Rumpf  
Associate State Director  
The Nature Conservancy  
14 Maine Street, Suite 401  
Brunswick, ME 04011

With copy to:

The Nature Conservancy  
11 Avenue de Lafayette  
Boston, MA 02111  
Attn: Hans P. Birle, Deputy General Counsel  
617-542-1908, ext 218 (phone)  
617-482-5866 (fax)



19. Time of Performance. Time is of the essence of this Agreement and of all acts required to be done and performed by the parties hereto, including, but not limited to, the proper tender of each of the sums required by the terms hereof to be paid.

20. Paragraph Headings. The word or words appearing at the commencement of paragraphs and subparagraphs of this Agreement are included only as a guide to the contents thereof and are not to be considered as controlling, enlarging or restricting the language or meaning of those paragraphs or subparagraphs.

21. Invalidity. In the event any portion of this Agreement should be held to be invalid by any court of competent jurisdiction, such holding shall not affect the remaining provisions hereof unless the court's ruling includes a determination that the principal purpose and intent of this Agreement are thereby defeated.

22. Legal Relationships. The parties to this Agreement execute the same solely as a seller and a purchaser. No partnership, joint venture or joint undertaking shall be construed from these presents, and except as herein specifically provided, neither party shall have the right to make any representation for, act on behalf of, or be liable for the debts of the other. All terms, covenants and conditions to be observed and performed by either of the parties hereto shall be joint and several if entered into by more than one person on behalf of such party, and a default by any one or more of such persons shall be deemed a default on the part of the party with whom said person or persons are identified. No third party is intended to be benefited by this Agreement.

23. Assignment; Successors. Purchaser may not sell, transfer, assign, pledge or encumber its interest in this Agreement without the prior written consent of Seller, which consent may not be unreasonably withheld or delayed. A purported sale, transfer, assignment, pledge or encumbrance shall be null and void and of no force or effect. Subject to the restrictions contained herein, the rights and obligations of the Seller and Purchaser shall inure to the benefit of and be binding upon their respective estates, heirs, executors, administrators, successors, successors-in-trust and assigns, which is intended to include assignees of this Agreement. The foregoing notwithstanding, Purchaser may assign some or all of its rights and obligations hereunder to the State of Maine, Appalachian Mountain Club or the Forest Society of Maine pursuant to a form of assignment agreement reasonably approved by Seller.

24. Easements to be Granted or Retained by Seller.

a. Seller shall reserve unto itself, its successors and assigns, permanent, nonexclusive easements and rights of way over and across existing roads located upon the Roaches Property and the Bog Phase I and the Bog Phase II Property approximately as shown on the maps attached hereto as Exhibits K-1 and K-2. These easements will be subject to the terms and conditions contained on Exhibit L attached hereto.



b. Prior to each Closing, the parties will agree upon the extent and location of easements for ingress and egress that Seller will grant to Purchaser across Seller's retained lands for the benefit of lands to be conveyed to Purchaser at each phase's closing.

25. Cooperation. Each of the parties shall perform such other acts and things and execute such other and further documents as may be necessary to carry out the intent and purposes of this Agreement.

26. Entire Agreement. All understandings and agreements previously existing between the parties, if any, are merged into this Agreement, which alone fully and completely expresses their agreement, and the same is entered into after full investigation, neither party relying upon any statement or representation made by the other not embodied herein. This Agreement may be modified only by a written amendment executed by all parties.

27. Interpretation. This Agreement has been reviewed by both parties and each party has had the opportunity to consult with independent counsel with respect to the terms hereof and has done so to the extent that such party desired. No stricter construction or interpretation of the terms hereof shall be applied against either party as the drafter hereof.

28. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original instrument. All such counterparts together shall constitute a fully executed Agreement.

29. Amendment. This Agreement may not be modified or amended except by the written agreement of the parties.

30. Confidentiality. Subject to the provisions of Paragraphs (c), (d) and (e) below:

(a) Neither Seller nor Purchaser shall disclose the original or a copy of this Agreement or the content or substance of this Agreement to any individual, firm, partnership, corporation, entity, governmental authority, or other party except advisors, agents, and representatives assisting each respective party in connection with this transaction, until such disclosure is agreed upon in writing and then only to accomplish the consents and approvals required hereunder.

(b) No press releases concerning this Agreement or the transactions contemplated hereby shall be made by either party without the prior written approval of the other.

(c) Each party hereto, its representatives, agents and employees shall hold in strict confidence and shall not use or disclose to any person or organization any information or data concerning this Agreement or the transaction contemplated hereby except to the extent that (i) said information has been published or constitutes a matter of public knowledge or record; (ii) such disclosure is reasonably necessary for communications with and reporting to the board of directors or other governing body of either party or reasonably appears to be required by a



governmental agency having jurisdiction over the parties; (iii) such information is necessary in connection with any suit brought to enforce the obligations of any party hereunder; (iv) if based upon the legal opinion of counsel for the disclosing party, that such counsel reasonably believes that disclosure is necessary or desirable to avoid conflict with or violation of any governmental law, rule or regulation; (v) such information is necessary in connection with the Purchaser's acquisition of funding for the purchase of the Sale Property, which may include without limitation funding through re-sale of some or all of the Sale Property and/or funding from foundations, charitable donations, federal, state and/or local government appropriations; (vi) such information is necessary in connection with Purchaser's assignment of some or all of its interest in this Agreement as permitted by the Agreement; (v) such information is necessary in connection with audit or investigation of a party by a governmental entity, including without limitation the United States Congress or Internal Revenue Service; or (vi) such information is necessary in order for Purchaser to perform its investigations pursuant to the Due Diligence Period, or to accomplish other investigation of the Sale Property.

(d) Purchaser owns all information or data it develops or discovers relating to the Sale Property and Purchaser is entitled to disclose such information or data as Purchaser in its sole discretion deems appropriate. After the closing of each phase to which it pertains, Purchaser is deemed to own all Information provided to it by Seller pertaining to the Sale Property, including without limitation, timber appraisals, water rights information, mineral rights information, temporary encumbrances, boundary information, and access information, and Purchaser shall be entitled to disclose such Information or data as Purchaser in its sole discretion deems appropriate. This Paragraph shall not apply to information or data provided to Purchaser that is subject to confidentiality restrictions imposed by Seller's consultants who prepared such information.

(e) The foregoing notwithstanding, upon the mutual agreement of the parties, either can make public the general terms of this Agreement (including pricing); provided, however, the parties may not disclose copies of this Agreement relating to the transactions contemplated hereunder.

31. Exchange. Seller may desire to complete the transactions contemplated herein as part of a Section 1031 tax-deferred exchange; provided, that in no event may Seller terminate this Agreement in the event this transaction does not qualify for Section 1031 purposes. Purchaser agrees to cooperate with Seller in documenting and completing such exchange by agreeing that Seller may transfer Seller's rights and obligations under this Agreement to Seller's Qualified Intermediary, Section 1031 Services, Inc. Purchaser agrees to accept Section 1031 Services, Inc. as the assigned seller of the Sale Property and/or the Moosehead Legacy Easement described in this Agreement provided that Purchaser's cooperation in such an exchange shall be subject to the following conditions:

- (a) Seller shall remain liable to Purchaser for the performance of all obligations of Seller under this Agreement;
- (b) the Deeds and Conservation Easement shall be made from Seller to Purchaser;



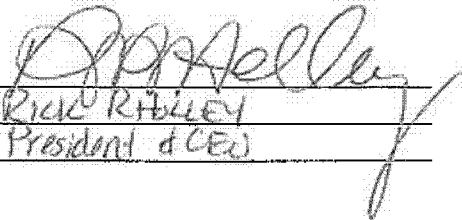
- (c) Purchaser shall have no obligation to incur any liability (potential or otherwise) to anyone with respect to the exchange, or to make any representations or warranties of any kind to anyone with respect to the exchange;
- (d) Purchaser shall not be obligated in connection with the exchange to take title to any property other than the Sale Property;
- (e) Purchaser shall not be obligated to agree to extension of any closing in order to facilitate the exchange; and
- (f) Seller shall bear all costs associated with such assignment and exchange, and hereby agrees to indemnify and defend Purchaser against, and to hold Purchaser harmless of and from any and all claims, damages, losses, and liabilities, costs and expenses of any kind or nature whatsoever, (including, but not limited to, reasonable attorneys' fees and expenses) which Purchaser may incur or suffer, or to which Purchaser may be subjected by reason of or as a result of the exchange.

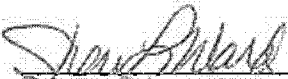


IN WITNESS WHEREOF, the parties hereto have executed this instrument in duplicate the day and year first above written.

SELLER:  
PLUM CREEK MAINE TIMBERLANDS, L.L.C.

Attest:

By   
Name RICK R. RILEY  
Title President & CEO  
TIN: \_\_\_\_\_

By   
Name SHERI L. WARD  
Title Assistant Secretary



PURCHASER:

THE NATURE CONSERVANCY

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

EIN: \_\_\_\_\_



Exhibits:

- A Map of Bog I Property and Bog II Property
- B. Map of Roaches Property (showing ITS Trail and ATV Routes, Gravel Pit Location)
- B-2 Terms and Conditions for Permanent ATV Trail
- C. Form of Conservation Easement
- D. Moosehead Easement Property Map
- E. Bog Phase I LMF Property Map
- F. Permitted Encumbrances
- G. Assignment and Assumption Agreement
- H. Form of Quitclaim Deed with Covenant
- I. (intentionally omitted)
- K (intentionally omitted)
- K-1 Map of the Roaches Property Reserved Easement
- K-2 Map of the Bog Property Reserved Easement
- L Reserved Easement Terms and Conditions
- M. Title Endorsements



**EXHIBIT "A"**

**MAP OF BOG I PROPERTIES AND BOG II PROPERTIES**



**Exhibit A**

Map showing the location of the Bog Phase I and II Properties in the Town of Alton, New Brunswick. The map includes the following labels:

- Sandy Bay Twp
- Dennistown Plt
- Forsyth Twp
- am Gore
- Holey Twp
- Alton Twp
- Jackman
- Bog Phase I Property
- Bog Phase II Property
- Westford Twp
- Upper Enchanted Twp
- Lower Enchanted Twp
- BKP WKR
- T5 R6 BKP WKR
- plepton Road Boundary
- rier Twp
- Alton Twp

Scale: 0 0.5 1 2 3 4 Miles

EFO Map# 6-06.12

EFO Map# 6-06.12



**EXHIBIT "B"**

**MAP OF ROACHES PROPERTY**



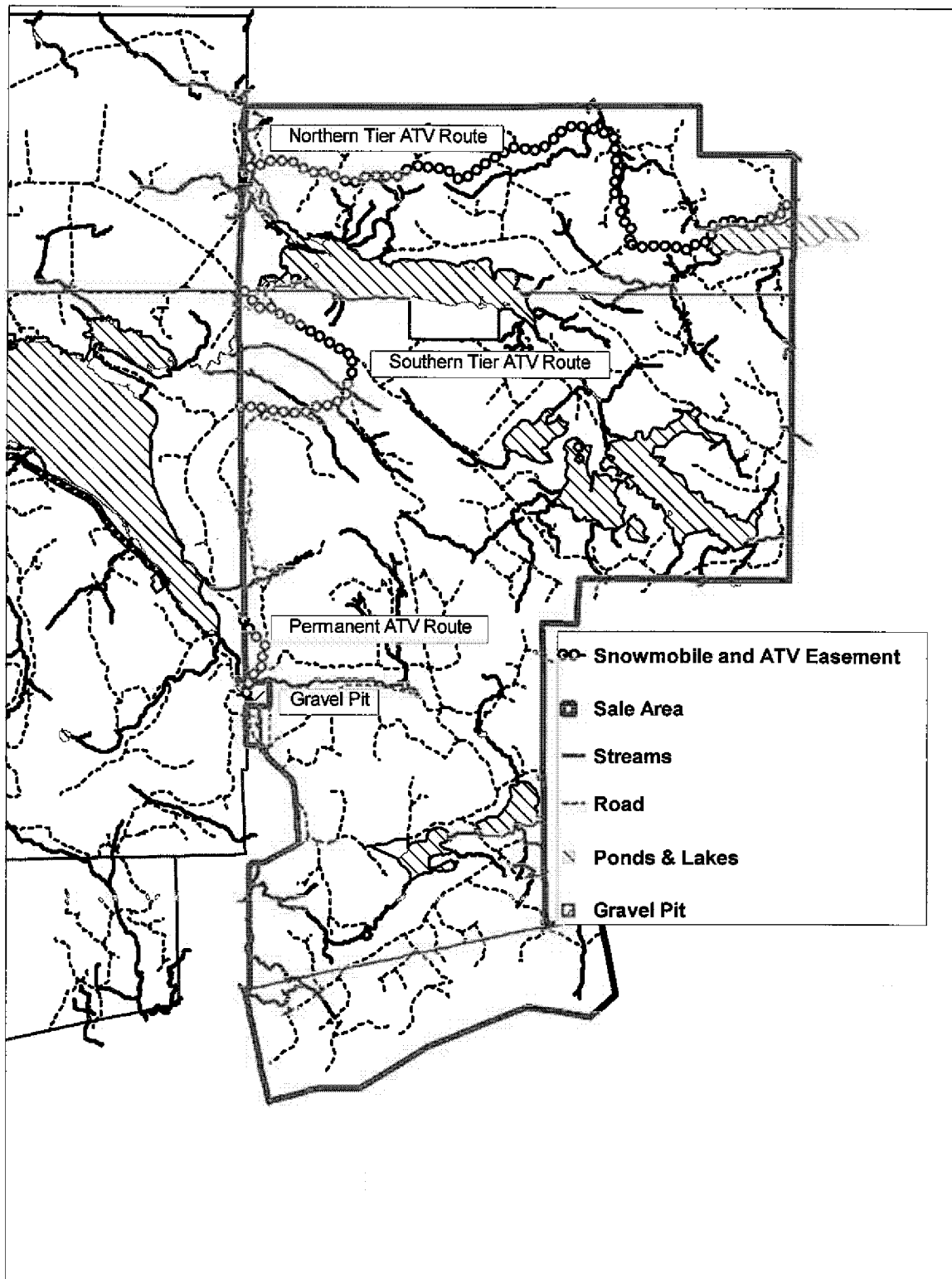
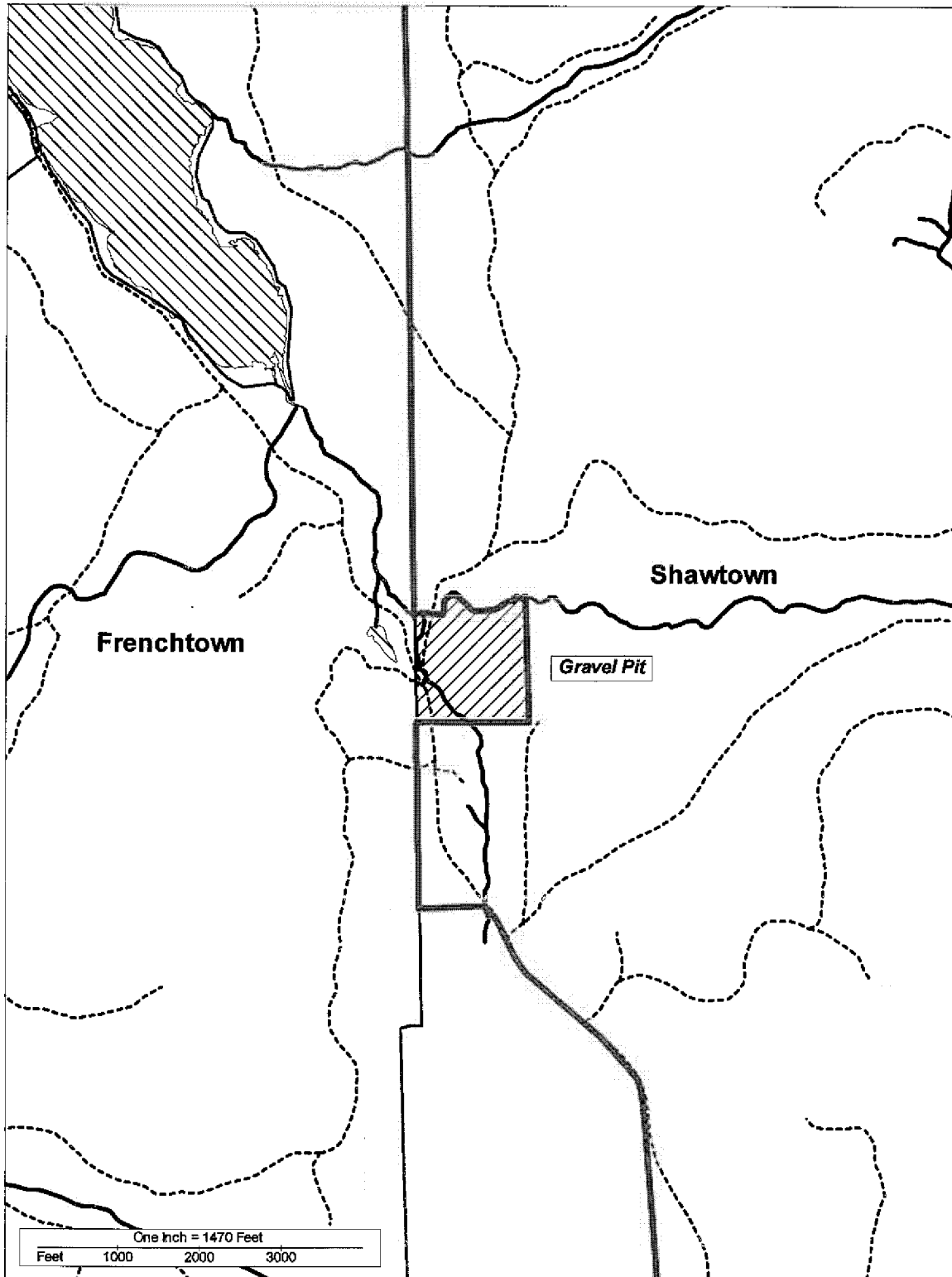


Exhibit B: Roaches Property, ATV Routes and ITS Snowmobile Trail Easements  
T1-R12, Shawtown, Bowdoin College East  
Piscataquis County, Maine



EXHIBIT B-1





## EXHIBIT "B-2"

### PERMANENT ATV ROUTE TERMS AND CONDITIONS

1. Purpose. The Permanent ATV Route easement (the "ATV Trail Easement") is for the purpose of providing access to members of the public for recreational ATV use.

2. Relocation. Purchaser reserves unto itself, its successors and assigns the right at its sole expense to relocate the ATV Trail Easement subject to the condition that the ATV trail continues to connect with the established trail on adjacent properties or to a trail to be established in conjunction with adjacent landowners.

3. Road Crossing. Purchaser, for itself, its successors and assigns, reserves the right at all times and for any purpose to go upon, cross and recross, at any place on grade or otherwise, said right-of-way and to use the ATV trail on said right-of-way in a manner that will not unreasonably interfere with the rights granted hereunder.

4. Third Parties. Purchaser may grant to third parties, upon such terms as it chooses, any or all of the rights reserved by it herein; provided, that use by such third party shall be subject to the terms and conditions of this easement and shall not unreasonably interfere with the rights granted hereunder.

5. Maintenance. Purchaser shall have the right, but not the obligation, to maintain the ATV trail.

6. Trail Use Rules; Suspension of Rights. Purchaser may establish reasonable rules and regulations for the public's use of the ATV trail, including, without limitation, the obligation for users to stay on the established trail; rules relating to the protection of flora and fauna, public safety, protection of streams and ponds, and other safety or environmental purposes. In the event Purchaser chooses to establish rules and regulations for ATV trail use, Purchaser must clearly post such rules and regulations in a manner and in such places to provide members of the public clear notice. If Purchaser determines in Purchaser's sole discretion that the users of the ATV trail, or any segment thereof, are in breach of the rules and regulations, Purchaser may suspend use of the ATV trail.



EXHIBIT "C"

**FORM OF CONSERVATION EASEMENT**



# **CONSERVATION EASEMENT**

Granted by

**Plum Creek Maine Timberlands, L.L.C.**

to

**The Nature Conservancy of the Pine Tree State, Inc.**



## CONSERVATION EASEMENT

KNOW ALL PERSONS BY THESE PRESENTS, **PLUM CREEK MAINE TIMBERLANDS, L.L.C.**, a Delaware limited liability company, formerly known as SDW Timber II, L.L.C., with a place of business in Fairfield, Maine (hereinafter referred to as "Grantor," which word is intended to include unless the context clearly indicates otherwise, the above-named Grantor and its successors and assigns, and any future owners or successors-in-interest to the Protected Property (defined below), and their executors, administrators and legal representatives), **GRANTS to THE NATURE CONSERVANCY OF THE PINE TREE STATE, INC.**, a Maine nonprofit corporation, with a mailing address at 14 Maine Street, Suite 401, Brunswick, Maine 04011 ("TNC");(hereinafter referred to as "Holder," which word shall, unless the context clearly indicates otherwise, include Holder's successors and/or assigns), with **QUITCLAIM COVENANT**, in perpetuity, the following described **Conservation Easement** on land located in **[insert Townships and Counties]**, Maine, hereinafter referred to as the "Protected Property," and described on **Exhibit A**, attached hereto, and shown on a plot plan attached hereto as **Exhibit B**, both made a part hereof by reference.

### PURPOSE

This Conservation Easement is intended to provide a significant public benefit by protecting and preserving in perpetuity the Protected Property in its present and historic primarily undeveloped condition that allows its continued operation as a working forest with the perpetual ability to commercially produce forest products, and to conserve and/or enhance forest and wildlife habitats, undeveloped shoreline, and historic public recreation and nature observation and study opportunities of the Protected Property for present and future generations, subject only to such uses as are specifically provided for herein. This Conservation Easement applies to the Protected Property only. Nothing herein shall be construed to impose any obligation, restriction, or other encumbrance on any real property not expressly made a part of the Protected Property.

The following recitals more particularly describe the conservation values of the Protected Property and the significance of this grant.

WHEREAS, the Protected Property is a predominately forested land area of significant breadth and diversity, with outstanding natural resources, including sizeable forests of high quality, productive soils, diverse wildlife and plant habitat, extensive bogs, wetlands, rivers, streams, lakes, remote ponds, and other water bodies, and unique natural features, and qualifies as a "...relatively natural habitat of fish, wildlife, or plants, or similar ecosystem," as that phrase is used in P.L. 96-541, 26 U.S.C. § 170(h)(4)(A)(ii), as amended, and in regulations promulgated thereunder; and

WHEREAS, the Protected Property contains popular recreational areas important to the people of the State of Maine, and preservation of the opportunity for continued public access and traditional non-intensive outdoor recreation on the Protected Property by the general public, as defined herein, consistent with the preservation and protection of the other conservation values of the Property and Grantor's reserved rights, is in the public interest; and



WHEREAS, Grantor shall have the reserved right to use the Protected Property for commercial forest management under the terms of this Conservation Easement, consistent with the protection and preservation of rare and endangered species and rare and exemplary natural communities, significant wildlife values, special natural, historical or archaeological features, areas of high public value, and other conservation values identified herein; and

WHEREAS, Grantor and Holder agree that continued management of the Protected Property as a commercial working forest, in a manner that protects rare and endangered species and rare and exemplary natural communities and conserves significant wildlife values, special natural, historical or archaeological features, and areas of high public values, is consistent with the goals of this Conservation Easement; and

WHEREAS, Grantor and Holder agree that as long as the Grantor continues to manage the Protected Property as a commercial working forest, it will confer the following public benefits: (a) provide a continuing, renewable and long-term source of forest products; (b) provide for long-term management of the forest in accordance with best management practices to prevent erosion, sedimentation and other degradation of soil and water resources; (c) maintain a natural resource base for a forest-based economy and corresponding employment opportunities; and (d) support further investment in local businesses and community services that depend directly upon, or provide ancillary services to, a forest-based economy and forest product industry; and

WHEREAS, Grantor and Holder agree that the permanent protection of the Protected Property for conservation and traditional non-intensive outdoor recreation by the general public, while permitting its use for commercial forestry consistent with the protection of those values, will make a lasting contribution to the State of Maine; and

WHEREAS, this Conservation Easement may be acquired, in part, with federal funds from the Forest Legacy Program in accordance with the provisions of Title XII of the Food, Agriculture, Conservation and Trade Act of 1990 (16 U.S.C. §2103c), as amended, which was enacted to protect environmentally important forest areas threatened by conversion to non-forest uses and for promoting forest land protection and other conservation opportunities; and

WHEREAS, TNC is a tax exempt public charity under §§ 501(c)(3) and 509(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Code"), is qualified under § 170(h) of the Code to receive qualified conservation contributions and is qualified to hold conservation easements pursuant to 33 M.R.S.A. § 476(2)B, as amended;

NOW THEREFORE Grantor and Holder have established this Conservation Easement affecting the Protected Property consisting of the following terms, covenants, restrictions, and affirmative rights, which shall run with and bind the Protected Property in perpetuity:

## **TERMS, COVENANTS AND RESTRICTIONS**

### **1. GENERAL LAND USES**



Except in connection with Forest Management Activities (defined below) or as otherwise expressly stated to the contrary herein, structural development, commercial, residential, industrial, energy generation, landfill, and waste disposal activities are prohibited on the Protected Property. Without limiting the generality of the foregoing, houses, apartment buildings, multi-family housing units, campgrounds, condominiums, trailer parks, mobile homes, permanent outdoor high-intensity lights, motels or hotels, billboards, junk yards, and commercial and industrial uses of all kind, are specifically prohibited on the Protected Property unless otherwise provided herein.

Notwithstanding anything to the contrary in this Conservation Easement, Grantor, its successors and assigns, shall have the perpetual right to undertake any and all Forest Management Activities on the Protected Property, subject only to the limitations set forth in Paragraph 5 of this Conservation Easement, and to undertake gravel extraction activities permitted under Chapter 10 of the Maine Land Use Regulation Commissions Rules and Standards (or successor regulations thereto), but only in compliance with all requirements thereof. As used in this Conservation Easement, the term "Forest Management Activities" means all commercial forest management practices allowable under law (now or in the future) and the harvesting and removal of any and all forest products by any and all current and future harvesting and removal techniques allowable under law. Forest Management Activities shall include, but not be limited to, the following activities and Grantor's management of such activities: reforestation, planting, growing, cutting, and harvesting trees, forest products, and other vegetation; construction, use, and maintenance of skid trails, skid roads, skidder bridges, log yards, landing and staging areas, land management roads, winter haul roads or other paths, roads, or trails used to provide pedestrian, domestic animal and vehicular access to and from and within the Protected Property in order to carry out the Forest Management Activities on the Protected Property; clearing for reforestation; harvesting, pruning, girdling, thinning, or trimming trees and other vegetation; harvesting forest products with domestic animals or mechanical equipment; maintenance of existing fields and meadows; conducting timber cruising, forest management planning, forest stand improvement, forest crop selection, forest research, and other forest resource evaluation activities; cutting and removing forest products, including but not limited to trees, logs, poles, posts, pulpwood, firewood, chips, seeds, pinestraw, stumps, seed cones, bark, shrubs, lesser vegetation, and biomass; collection and processing of all sugar maple products; conducting fire control and other activities to prevent or control losses or damage to forest crops or forest products; identifying and marking boundaries; salvaging forest crops or forest products; marking timber and performing other activities to identify trees or areas for harvest; performing commercial and pre-commercial silvicultural treatments; disposing of harvesting debris and conducting post-harvest or site recovery activities; applying in accordance with applicable statutes and regulations herbicides, pesticides, fungicides, rodenticides, insecticides, and fertilizers; removing, loading, and transporting timber and other forest crops and products; processing forest products with portable or temporary equipment designed for in-woods processing; trimming, cutting, removing, burning, or otherwise disposing of any trees or vegetation which are diseased, rotten, damaged or fallen; trimming, cutting, removing, or otherwise disposing of any trees or vegetation as is necessary to construct or maintain fire lanes, footpaths, and any roads permitted under this Conservation Easement; the removal (by quarrying or otherwise) of sand, gravel, aggregate, rock and other similar construction materials (in the aggregate "Construction Materials") from the earth and the storage of the same (which Construction Materials



may be used for any lawful purpose, including sale to others); and any other activity Grantor deems useful or expedient in connection with the foregoing.

Further, notwithstanding anything to the contrary in this Conservation Easement, Grantor may grant permanent or temporary easement rights across the Protected Property to affiliates of Grantor and third parties for ingress, egress and utilities for all lawful purposes. Grantor shall provide notice to Holder prior to the grant of such easement rights. Grantor agrees to take into consideration the Protected Property's conservation values (including the avoidance of habitat fragmentation) to the extent reasonably practicable when granting such rights, provided that the ultimate decision to grant such easement rights shall be made in the sole discretion of Grantor.

## **2. SUBDIVISION**

A. The Protected Property shall remain in its current configuration as an entirety without division, partition, subdivision or other legal or *de facto* creation of lots or parcels in separate ownership; provided that not more than twenty (20) separate lots of not less than **5000** contiguous acres each may be created and conveyed to others. Any division whatsoever of the Protected Property, and any parcel created thereby, shall always be subject to this Conservation Easement. Grantor may enter into boundary line agreements to resolve bona fide boundary line disputes with the prior written consent of Holder which shall not be unreasonably withheld, provided that the total acreage of land protected under this Conservation Easement shall not materially be reduced thereby without court order.

B. Notwithstanding the foregoing, any portion of the Protected Property may be conveyed to Holder or to another entity that meets the requirements of Section 170(h)(3) of the Internal Revenue Code, (or successor provisions thereof) and the requirements of Section 476(2) of Title 33 of the Maine Revised Statutes Annotated, as amended (or successor provisions thereof), for permanent conservation ownership by such a qualified entity, subject to the terms of this Conservation Easement.

C. All rights to develop or use the Property that are prohibited by or inconsistent with this Easement are extinguished, and can not be used to transfer development rights to other land, or to permit increased development or natural resource use or removal on other land, or to achieve other regulatory mitigation credits for fiber, discharge of pollutants, or other similar accommodation on land not subject to this Conservation Easement.

D. Conveyance of Leased Lots located within the bounds of the Protected Property as of the date of this grant (as the same may be expanded to bring the lots up to compliance with then-current LURC regulations) shall not be deemed divisions of the Protected Property.

## **3. STRUCTURES AND IMPROVEMENTS**

From the date of this Grant, no new structures, temporary or permanent, are allowed to be constructed, placed or maintained on the Protected Property, other than



Forestry Improvements (described below), structures and improvements for purposes of nature observation (including, without limitation, observation blinds and platforms), trails for use by the general public, tents, recreational vehicles and temporary camping structures subject to Grantor's rights to regulate such uses as set forth in Section 7 hereof, and roads, utilities and telecommunications facilities approved by the Maine Land Use Regulation Commission (or its successor agency). Grantor agrees to take into consideration the Protected Property's conservation values (including the avoidance of habitat fragmentation) when siting any structure or improvement allowed hereunder, to the extent reasonably practicable, provided that the ultimate decision site such structures and improvements shall be made in the sole discretion of Grantor.

Notwithstanding the foregoing, Grantor may develop, construct, maintain, install, replace and repair at any time and from time to time Forestry Improvements on the Protected Property. For purposes of this Conservation Easement, the term "Forestry Improvements" means any and all structures, facilities, improvements and utilities that are used in connection with and/or for the purpose of accomplishing Forest Management Activities on the Protected Property, including, without limitation, roads, fences, bridges, gates, maple sugar houses and appurtenant facilities, forest management camps, logging camps, and housing facilities for persons involved with Forest Management Activities on the Protected Property, barns, garages, storage facilities, portable and permanent sawmills, mobile chippers, and other processing equipment and facilities, associated signs and structures, utility services to serve and support such Forestry Improvements, including telecommunication systems, electric power lines and generation facilities, wells, and septic disposal facilities; provided, however, that, to the extent reasonably practical, such utility services crossing the Protected Property shall be located in a manner to minimize their impact on the Protected Property's conservation values. All Forestry Improvements permitted hereunder shall be installed and constructed in accordance with applicable laws and regulations.

Existing (as of the date of the grant of this Conservation Easement) structures, improvements and utilities that are not associated with Forest Management Activities may be maintained, replaced and repaired from time to time, but may not be expanded without the consent of Holder, which consent shall be granted only upon a determination by Holder, in its reasonable judgment, that the action will not be inconsistent with the purpose of this Conservation Easement. New, minor structures and improvements for traditional, recreational uses such as trails, not more than 5 (five) back country huts, bridges, benches, tables, public boat launches, erosion control systems, wells and springs, may be installed, constructed, maintained, repaired, and replaced from time to time, without the consent of Holder, provided that such structures and improvements are installed and constructed in accordance with applicable laws and regulations. New roads, utilities and telecommunications facilities, and/or public fire and safety buildings may be installed, constructed, maintained, repaired, and replaced from time to time, and easements, rights of way, or other interests may be granted to others in connection therewith, without the consent of Holder provided that such roads, utilities, telecommunications facilities, and/or buildings are approved by the Maine Land Use Regulation Commission (or its successor agency), and are installed and constructed in accordance with applicable laws and regulations, and further provided that, to the extent reasonably practical, such roads, utilities, facilities, and/or buildings crossing or located on the Protected Property shall be located in a manner to minimize their impact on the



Protected Property's conservation values. Notwithstanding the foregoing, no more than 6 (six) telecommunication/cell "towers" shall be constructed on the Protected Property.

#### **4. SURFACE ALTERATIONS**

Except in connection with Forest Management Activities and/or other uses of the Protected Property permitted by this Conservation Easement (including gravel extraction in compliance with the regulations of the Maine Land Use Regulation Commission or its successor agency), no new filling, drilling, excavation, or alteration of the surface of the earth, no removal of soil or minerals, and no changes in the topography are allowed on the Protected Property; provided, however, that Grantor shall not be deemed to be in breach of the terms hereof in the event a third party owner of mineral rights conducts mining activities, and further provided that Grantor shall have the right to conduct surface and subsurface water extraction activities, and to construct and maintain structures and facilities necessary for the same, provided that any such extraction is conducted in a sustainable manner and does not adversely affect the conservation values protected by this Conservation Easement. In the event Grantor conducts water extraction activities on the Protected Property, such activities shall be included in the Multi-Resource Management Plan approved by Holder.

The right to extract gravel and other minerals is subject to the requirement that the disturbed area for such activity does not exceed 15 acres in size per extraction site and there are no more than 400 acres actively disturbed and not revegetated and stabilized at any one time. The removal of loose surface decorative rock is not subject to these restrictions.

#### **5. FOREST MANAGEMENT**

As of the date of this grant, the Protected Property is in a substantially natural, predominantly forested condition with areas of **[List any special areas or sensitive resources as documented in the Baseline Documentation][Note, this will be done after the signing of the PSA but before the grant of the Conservation Easement]**.

Grantor reserves the right to manage vegetation on the Protected Property, subject to applicable laws and regulations, in a manner that assures the continuing and sustained ability of the Protected Property and its soils to support healthy and vigorous forest growth and allows for Forest Management Activities. If undertaken, Forest Management Activities must be designed and implemented to ensure an economically viable, continuing, renewable, and long-term harvest of forest products, consistent with the forestry principles set forth below and with the use of the Protected Property by the general public as set forth in Section 7, below, subject to the following conditions:

A. Grantor reserves the right to manage vegetation for Forest Management Activities, and for the control and prevention of fire and disease, eradication of invasive species, wildlife habitat improvement, and general forest health, in accordance with a Multi-Resource Management Plan (hereafter the "Management Plan") designed to ensure the utilization of silviculturally sound forestry methods that: 1) allow for a continuing, renewable, and long term source of forest products; 2) assure the sustained ability of the Protected Property and its soils to support healthy and vigorous forest growth and allow for



a continuing, renewable, and long-term harvest of forest products; 3) protect fish, wildlife, riparian and recreational resources and designated scenic areas of the Protected Property and its conservation values; and 4) protect Special Management Areas identified in the Baseline Documentation (defined below).

B. Grantor reserves the right to manage vegetation by cutting, pruning and planting without the requirement of a Management Plan, as necessary to exercise the rights reserved to Grantor hereunder, and to accommodate traditional non-intensive outdoor recreation by the general public allowed by this Conservation Easement as set forth in Section 7, below, including the removal of vegetation for safety purposes, for the creation of scenic vistas and views from trails, public roadways, campsites, overlooks, and other designated public vantage points; provided that all such vegetation management shall be conducted in a manner to assure the sustained ability of the Protected Property and its soils to support healthy and vigorous forest growth and allow for a continuing, renewable and long-term source of forest products, and in a manner that maintains the traditional scenic character and healthy wildlife habitat and forest ecosystem of the Protected Property (all parties acknowledge, however, that the Protected Property has been, and may continue to be, used as a commercial working forest). The incidental sale of vegetation cut or removed from the Protected Property in the exercise of Grantor's non-commercial vegetation management rights shall not require a Management Plan, and need not be addressed in the Management Plan.

C. All Forest Management Activities shall be consistent with the maintenance of a healthy and biologically diverse forest, prevention of soil erosion and preservation of soil productivity, preservation of water quality, wetlands and riparian zones, preservation of traditional scenic character as viewed from designated public vantage points located at **[list here]** (provided that all parties recognize that the Protected Property has traditionally been used as a working forest and that scenic views from such locations have historically included evidence of commercial forestry operations), maintenance of existing, identified wildlife habitat and recreational resources, and shall accomplish the Forestry Principles set forth below:

(i) protection of identified wildlife habitat and unique natural areas, as documented in the Baseline Documentation;

(ii) preservation of traditional, non-intensive outdoor recreational activities allowed under Section 7 of this Conservation Easement;

(iii) protection of traditional scenic quality, recognizing that the Protected Property as traditionally been used as a commercial working forest, and that evidence of such use has been visible from many public and private vantage points and is part of the scenic character of the Protected Property;

(iv) maintenance or improvement of the diversity and health of the forest and the productive capacity of the soil;

(v) preservation of wetlands, water quality, and riparian areas, by avoidance of erosion, siltation or other degradation of waters;



(vi) allowance for a continuing, renewable, and long term source of forest products; and

(vii) conservation of significant historic and archaeological resources as contemplated by the SFIS.

**D. Management Plan; Amendment; Certification.**

(i) **Management Plan:** All Forest Management Activities, except preliminary timber cruising and resource evaluation, shall be conducted in accordance with the Management Plan. After the Management Plan has been agreed to by the parties hereto, Grantor shall operate within the constraints of the Management Plan in accordance with the terms of this Conservation Easement. The Management Plan shall be prepared prior to any harvesting or treatment activities, and shall be reviewed annually by the parties. The Management Plan shall remain in effect until amended or modified by the parties, provided that no amendment or modification to the Management Plan shall become effective until agreed to by Grantor, Holder, and Third Party.

(ii) **Third party certification:** Grantor shall comply with the Forestry Principles set forth in 5.C., above by conducting its Forest Management Activities in accordance with the Management Plan. So long as Grantor maintains a third party certification that the Protected Property is being managed in accordance with a Qualifying Forestry Certification Program (as defined below) then Grantor shall be deemed to be in full compliance with said Forestry Principles and the Management Plan. For purposes hereof, a "Qualifying Forestry Certification Program" shall be any of the following: (i) the Sustainable Forestry Initiative 2005-2009 Standards; (ii) successors to the SFIS; (iii) the Forest Stewardship Council Program; (v) American Tree Farm System Certification for parcels created pursuant to Section 2, above; or (iv) any similar program that Holder reviews and approves based upon Holder's assessment of the standards and procedures of that program, which approval shall not be unreasonable delayed, conditioned, or withheld. It is agreed by the parties hereto that the initial Management Plan submitted by Grantor (but not attached as an exhibit hereto) is in full compliance with the terms and requirements of this Conservation Easement, including the Forestry Principles set forth above. Grantor acknowledges that the purpose of the Management Plan is to guide Forest Management Activities in compliance herewith. In the absence of third-party certification, the Forestry Principles set forth herein as implemented through the Management Plan shall continue to govern Forest Management Activities on the Protected Property and the actual activities and outcomes on the Protected Property will determine compliance with this Conservation Easement.

(iii) **Timber harvesting** shall be supervised by a licensed professional forester and conducted under written contracts with competent operators, which contracts shall specify relevant requirements for compliance with this Conservation Easement.

**6. WILDLIFE AND WATER QUALITY PROTECTION**

In order to sustain Forest Management Activities on the Protected Property, and to assure the preservation of the high quality scenic, natural, and ecological character of the Protected Property, the following specific restrictions, subject to any more restrictive



local, state, and federal laws and regulations, are imposed on the Protected Property:

A. Overboard discharge or direct discharge of treated or untreated black or gray water waste into surface waters on or about the Protected Property is strictly prohibited.

B. It is forbidden to dispose of or store rubbish, garbage, debris, abandoned vehicles or equipment, parts thereof, or other unsightly, offensive, hazardous, toxic, or other waste material on the Protected Property, except that organic compost, blowdowns, and by-products of on-site Forest Management Activities permitted by this Conservation Easement may be used or disposed of on the Protected Property in a manner consistent with standard Best Management Practices for forestry operations, and other waste generated by allowed uses on the Protected Property may be stored temporarily in appropriate containers for removal at reasonable intervals, subject to all applicable local, state, and federal laws and regulations.

C. The use of herbicides, insecticides, fungicides, fertilizers, or other potentially harmful substances must be controlled and limited to use only in connection with Forest Management Activities, including removal of invasive species, or for public safety purposes and must be used in accordance with all applicable laws and regulations. All other use of these substances is prohibited on the Protected Property.

## **7. PUBLIC ACCESS EASEMENT**

It is Grantor's intent and objective to allow non-commercial, non-motorized public access on and across, and use of, the Protected Property for traditional, low-intensity recreational uses and to maintain opportunities for such uses of the Protected Property. In furtherance thereof, daytime, pedestrian use of the Protected Property by the public shall be permitted; provided, however, that Grantor reserves the right to make reasonable rules and regulations for different types of public use, and to control, limit, or temporarily prohibit, by posting and other means, any use by the public (including without limitation, night use, camping, loud activities, open fires, motorized vehicles, use of equipment, and areas of access) for purposes of protecting public safety, protecting the conservation values of the Protected Property, to ensure compliance with all applicable laws, and to accommodate Grantor's Forest Management Activities and other uses of the Protected Property permitted hereunder. Grantor reserves the right to allow motorized recreational use of the Protected Property (including snowmobiling), in the sole discretion of Grantor. Grantor will take into consideration the conservation and traditional non-intensive outdoor recreation values protected by this Easement in granting any such motorized recreational use.

To the extent allowed by Grantor, in its sole discretion, traditional recreational uses of the Protected Property by commercial guides, by customers of commercial sporting camps, and by non-profit camping and educational and scientific institutions, may be permitted on the Protected Property, provided that they occur in a manner that is consistent with the terms and the Purpose of this Conservation Easement. Grantor reserves the right to charge fees to commercial users of the Protected Property.

Notwithstanding the foregoing, this Conservation Easement does not grant any



easement, right of way, right of access, or other interest or license on, across, over, or affecting any other land of Grantor not included in the Protected Property, and this Conservation Easement does not, and shall not be construed to, impose upon Grantor, or its successors or assigns, any obligation to provide or allow public access on, across, over, or affecting any land of Grantor not included in the Protected Property. Any such rights or licenses affecting any land of Grantor not included in the Protected Property, if granted by Grantor in its sole discretion, shall be by a separate instrument or instruments recorded in the Registry of Deeds where such other land is located, and no such rights or licenses shall arise by implication, necessity, or otherwise, and this Conservation Easement does not expand or extend any privilege or license currently provided by Grantor.

Grantor and Holder claim all of the rights and immunities against liability for injury to the public to the fullest extent of the law under Title 14 M.R.S.A. Section 159-A, et seq. as amended and successor provision thereof (Maine Recreational Use Statute), under the Maine Tort Claims Act, and under any other applicable provision of law and equity. Any use of the Protected Property by the public is at the public's sole risk and liability, and any use of the Protected Property shall be deemed a waiver of any and all liability of Grantor, its successors and assigns, for any injury, loss or damage occurring from such use.

Nothing in this section shall be construed to prevent law enforcement personnel from entering the Protected Property at any and all times for the purposes of carrying out official duties.

## **8. BASELINE DOCUMENTATION**

The parties agree that a Baseline Documentation Report (the "Baseline Documentation") will be completed by a natural resource professional familiar with the area, reviewed by Holder and Grantor, and acknowledged by them to be an accurate representation of the physical and biological condition of the Protected Property and its physical improvements as of the date of the conveyance of this Conservation Easement. Grantor shall provide, and the Baseline Documentation shall include the most recent SFI certification audit and supporting documentation. Such audit and supporting documentation shall be kept confidential by Holder and used solely for purposes of ongoing monitoring and enforcement of this Easement. It may only be released to third parties if required by state statute or judicial proceeding. In the event a controversy arises with respect to the nature of the biological and/or physical condition of the Protected Property and its improvements, the parties may use the Baseline Documentation, as well as all other relevant or material documents, surveys, reports, or other information to assist in the resolution of the controversy.

The current conditions on the Property, as documented in the Baseline Documentation, are consistent with the terms, conditions, and Purposes of this Easement. Moreover, the Grantor's resource management and timber harvesting practices, as provided for in the Management Plan and as currently conducted by Grantor, are consistent with the terms, conditions, and Purposes of this Conservation Easement. Grantor and Holder intend and agree that the Purposes of this Conservation Easement will be met by the continuation of land use patterns existing at the time of this grant and



as further provided herein.

## **9 PROTECTION OF CONSERVATION VALUES**

Upon mutual agreement of Grantor and Holder, the boundaries of the Protected Property may be modified for the purposes of protecting important conservation values and/or natural features or to establish an easily identifiable boundary to the Protected Property (such as a roadway or stream thread), such as wetlands or other sensitive areas, provided that there is no net change in the total acreage of the Protected Property.

## **10. NOTICES**

Any notices to or requests for the consent or approval of Holder must be also copied to Third Party, and Third Party shall be provided with an opportunity to comment. Any such notices required or contemplated hereunder must include, at a minimum, sufficient information to enable Holder and Third Party to determine whether proposed plans are consistent with the terms of this Conservation Easement and the conservation purposes hereof. Notices to any party must be in writing and will be sufficient if served personally or sent by certified mail, return receipt requested, addressed as follows:

To Grantor:	Plum Creek Maine Timberlands, L.L.C. 999 Third Avenue, Suite 4300 Seattle, Washington 98104 Attn: General Counsel
With a copy to:	Plum Creek Maine Timberlands, L.L.C. 49 Mountain Avenue Post Office Box 400 Fairfield, Maine 04937-0400 Attn: General Manager, Northeast Region
To Holder:	THE NATURE CONSERVANCY OF THE PINE TREE STATE, INC.  14 Maine Street, Suite 401, Brunswick, Maine 04011 Attn: State Director
With a copy to:	The Nature Conservancy 11 Ave DeLafayette Boston, MA 02111 Attn: Legal Counsel

or to such other authorized person as any party may from time to time designate by written notice to the others in the manner set forth above.

## **11. COSTS AND TAXES, RESPONSIBILITY**



Grantor is responsible to pay and discharge when due all property taxes, assessments, and other costs, charges, liens and encumbrances lawfully imposed upon or in connection with the Protected Property and to avoid the imposition of any liens or encumbrances that may affect Holder's rights hereunder. In the event a lien created against the Protected Property is to be executed, the Holder, at its option, shall, after written notice to Grantor, have the right to pay funds to discharge the lien in order to protect Holder's interest in the Protected Property and to assure the continued enforceability of this Conservation Easement; provided, however, that Grantor first shall have the right to contest any such lien by legal proceedings. In the event Grantor elects to contest any lien by legal proceedings, Holder's right to pay and discharge such lien(s) shall not arise until and unless such lien(s) are determined as a result of such legal proceedings to be valid and enforceable against the Protected Property, or unless and until Grantor has abandoned its prosecution of such legal proceedings.

Grantor acknowledges that Holder has no possessory rights in the Protected Property, nor any responsibility or right to control, maintain or keep up the Protected Property. Grantor is responsible for all costs and responsibility of ownership, control, operation, maintenance, and upkeep of the Protected Property, and will indemnify, defend, and hold harmless Holder and Third Party from any claims for damages which arise therefrom, except for harm proximately caused by their negligent act or misconduct, or as may arise out of their workers' compensation obligations.

## **12. HOLDER'S AFFIRMATIVE RIGHTS**

A. Holder has the right to enforce this Conservation Easement by proceedings at law and in equity, including the right to prevent any activity on or use of the Protected Property that is inconsistent with the purpose of this Conservation Easement (other than those activities expressly authorized hereunder), and to require where reasonably practicable the restoration of any area or feature damaged by such inconsistent activity to a condition in compliance herewith. Holder shall not be entitled to monetary damages. Holder shall provide Grantor with thirty (30) days prior notice of and opportunity to cure any breach, except where emergency circumstances require enforcement action without such delay. Holder may not bring an enforcement action against Grantor for injury to or change in the Protected Property resulting from changes beyond the control or responsibility of Grantor, such as fire, flood, storm, and earth movement, from the actions of parties not under the control of Grantor, or from any prudent action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Protected Property. If a Court (or other decision-maker chosen by mutual consent of the parties) determines that this Conservation Easement has been breached, Grantor will reimburse Holder for any reasonable costs of enforcement, including court costs, reasonable attorney's fees, out-of-pocket costs and any other payments ordered by the Court or decision-maker. If a Court (or other decision-maker chosen by mutual consent of the parties) determines that this Conservation Easement has not been breached, Holder will reimburse Grantor for any reasonable costs of enforcement, including court costs, reasonable attorney's fees, out-of-pocket costs and any other payments ordered by the Court or decision-maker.

B. Holder has the right to enter the Protected Property for inspection and enforcement purposes, at any time and in a reasonable manner that is consistent with the



conservation purposes hereof and does not unreasonably interfere with Forest Management Activities undertaken by Grantor.

C. Holder has the right, but not the duty, to manage public recreational use of the Protected Property, to the extent such use is permitted hereby, in the absence of Grantor's managing such use.

### **13. THIRD PARTY RIGHTS AND ENFORCEMENT; APPLICABLE LAWS**

In the absence of third party certification under Section 5 hereof, Grantor agrees to provide to Holder the types of information that would be made available to a third party auditor so that Holder may monitor and enforce the terms of this Easement.

Nothing herein may be construed as approval of or as a substitute for approval or regulation of any activities under the regulatory jurisdiction of the Maine Land Use Regulation Commission or other State regulatory body. Nothing in this Conservation Easement may be construed to permit an activity otherwise prohibited or restricted by state, local, or federal laws or regulations, with which Grantor shall have a responsibility to comply. Any penalty for or mitigation of a violation of a regulation of the Maine Land Use Regulation Commission imposed upon the Grantor by the Maine Land Use Regulation Commission shall be deemed sufficient penalty for or mitigation of a violation of the terms of this Conservation Easement, if the activity causing such violation of the Land Use Regulation Commission regulations is also a violation of this Conservation Easement, such that Grantor shall not be penalized or subject to mitigation twice for a single act.

### **14. ADDITIONAL CONSERVATION EASEMENT REQUIREMENTS UNDER MAINE LAW**

A. This Conservation Easement is created pursuant to The Uniform Conservation Easement Act at Title 33, Maine Revised Statutes, 1989, Sections 476 through 479-B, inclusive, as amended (and successor provisions thereof), and shall be construed in accordance with the laws of the State of Maine.

B. Holder is qualified to hold conservation easements pursuant to Title 33 Maine Revised Statutes Annotated, Section 476(2)(B), as amended (or successor provisions thereof), and is a Qualified Organization under Section 170(h)(3) of the Internal Revenue Code of 1986, as amended (or successor provisions thereof), to wit: a publicly funded, non-profit, section 501(C)(3) organization having a commitment and the resources to protect the conservation purposes of the donation and enforce the restrictions hereof.

C. [This section left intentionally blank.]

D. This Conservation Easement is assignable by Holder, but only after notice to and approval by Grantor (which approval shall not be unreasonably withheld), and only to an entity that satisfies the requirements of Section 170(h)(3) of the Internal



Revenue Code of 1986, as amended (or successor provisions thereof) and Section 476(2) of Title 33 of the Maine Revised Statutes Annotated (1989), as amended (or successor provisions thereof), and that agrees, as a condition of transfer, to monitor, enforce, and otherwise uphold the conservation purposes and terms of this grant; provided that the parties hereto agree that the State of Maine is an approved assignee.

E. The Protected Property may be used to secure the repayment of debt, provided that the rights of Holder to enforce the terms, restrictions, and covenants created under this Conservation Easement shall continue and not be extinguished by foreclosure of any mortgage or any publicly or privately placed lien. The restrictions of this Conservation Easement, and Holder's right to enforce them shall be superior to any mortgage or lien.

## **15. GENERAL PROVISIONS**

A. Grantor reserves to itself, its successors and assigns all rights accruing from ownership of the Protected Property, including the right to engage in or permit others to engage in, all uses of the Protected Property that are not expressly prohibited or restricted by this Conservation Easement and that are consistent with the Purposes hereof.

B. Enforcement of the terms of this Conservation Easement shall be at the sole discretion of Holder and/or the Third Party. The failure or delay of Holder or Third Party, for any reason whatsoever, to enforce this Conservation Easement shall not constitute a waiver of its rights and Grantor hereby waives any defense of laches, prescription, or estoppel.

C. Grantor agrees to notify Holder and Third Party prior to any transfer of its interest in the Protected Property. A party's rights and obligations under this Conservation Easement shall terminate when such person or entity ceases to have any interest in the Protected Property or this Conservation Easement, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

D. The parties may amend this Conservation Easement only to the extent that changes are not inconsistent with the conservation purposes of this grant, and only by written and recorded agreement executed by Grantor, Holder, and Third Party.

E. If any provision of this Conservation Easement or the application of any provision to a particular person or circumstance is found to be invalid, the remainder of this Conservation Easement and the application of such provision to any other person or in any other circumstance, shall remain valid.

F. Interpretation and performance of this Conservation Easement shall be governed by the laws of the State of Maine. Should uncertainty arise in its meaning, this Conservation Easement should be interpreted in favor of conserving the Protected Property for the conservation purposes stated herein.

G. **EXTINGUISHMENT.** If circumstances arise in the future which render the Purpose impossible to accomplish, this Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent



jurisdiction. Unless otherwise required by applicable law at the time, in the event of any sale of all or a portion of the Protected Property (or any other property received in connection with any exchange or involuntary conversion of the Protected Property) after such termination or extinguishment, and after satisfaction of any prior claims and net of any costs or expenses associated with such sale, Grantor and Holder shall divide the proceeds from such sale so that Holder receives the stipulated fair market value of the Easement as determined in accordance with Section 15.H. All such proceeds received by Holder shall be used by Holder in a manner consistent with Holder's conservation purposes. This paragraph shall not apply, and there will be no division of proceeds with respect to any sale, exchange or transfer of the Protected Property where the transferred Protected Property remains subject to the Easement whether explicitly or by operation of law.

H. VALUATION. This Easement constitutes a real property interest immediately vested in Holder, which, for purposes of Section 15.G, the parties stipulate to have a fair market value determined by multiplying the fair market value of the Protected Property unencumbered by the Easement (minus any increase in value after the date of this grant attributable to improvements made by Grantor, which amount is reserved to Grantor) by the ratio of the sales price of the Easement at the time of this grant to the value of the Protected Property, without deduction for the sales price of the Easement, at the time of this grant. For the purposes of this paragraph, the ratio of the sales price of the Easement to the value of the Protected Property unencumbered by the Easement shall remain constant. The parties shall include the ratio described in the preceding sentence with the Baseline Documentation on file at the office of Holder and shall amend such values, if necessary, to reflect any final determination thereof by the Internal Revenue Service or court of competent jurisdiction.

I. CONDEMNATION. If all or any part of the Protected Property is taken by exercise of the power of eminent domain, or acquired by purchase in lieu of condemnation, whether by public, corporate or other authority, so as to terminate this Easement, in whole or in part, Grantor and Holder shall act jointly to recover compensation for their respective interests in the Protected Property and Easement, and all resulting direct or incidental damages. All expenses reasonably incurred by Grantor and Holder in connection with the taking or in lieu purchase shall be paid out of the amount recovered. Holder's share of the balance of the amount recovered shall be in proportion to the ratio set forth in Section 15.G. If only a portion of the Protected Property is subject to such exercise of the power of eminent domain, this Easement shall remain in effect as to all other portions of the Protected Property.

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IN WITNESS WHEREOF, Plum Creek Maine Timberlands, L.L.C., Grantor, has caused this Conservation Easement to be signed in its corporate name, and its corporate seal to be hereto affixed, by Rick R. Holley, its President, hereunto duly authorized, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Signed, sealed and delivered  
in the presence of:

PLUM CREEK  
MAINE TIMBERLANDS, L.L.C.

By:

\_\_\_\_\_  
Rick R. Holley  
Its President

STATE OF WASHINGTON )  
COUNTY OF KING ) ss:

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me personally appeared Rick R. Holley, to me known to be the President and Chief Executive Officer of Plum Creek Maine Timberlands, L.L.C., the limited liability company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of the limited liability company and that the seal affixed is the seal of said limited liability.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

\_\_\_\_\_  
Notary Public in and for the  
State of Washington  
Residing at \_\_\_\_\_  
My Commission Expires \_\_\_\_\_  
Printed Name: \_\_\_\_\_



## HOLDER ACCEPTANCE

The above and foregoing Conservation Easement was authorized to be accepted by The Nature Conservancy of the Pine Tree State, Inc Holder as aforesaid, and the said Holder does hereby accept the foregoing Conservation Easement, by and through \_\_\_\_\_, its \_\_\_\_\_, hereunto duly authorized, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

Signed, sealed and delivered  
the Pine Tree State, Inc  
in the presence of:

The Nature Conservancy of

\_\_\_\_\_  
\_\_\_\_\_

By:

*[name of officer]*  
Its *[insert title]*

State of Maine  
County of \_\_\_\_\_, ss.  
\_\_\_\_\_, \_\_\_\_ 20 \_\_\_\_

Personally appeared \_\_\_\_\_, \_\_\_\_\_ and  
authorized representative of the above-named Holder and acknowledged the foregoing  
instrument to be his free act and deed in his/her said capacity, and the free act and deed of  
said [Holder].

Before me,

\_\_\_\_\_  
Name: \_\_\_\_\_

Notary Public



**ATTACHMENTS:**

EXHIBIT A - Legal description of the Protected Property.

EXHIBIT B - Plot Plan depicting the Protected Property.



Multi-Resource Management Plan

Addressing

Forestry Standards

of

The Plum Creek/ The Nature Conservancy of the Pine Tree State, Inc  
Conservation Easement



This Multi-Resource Management Plan ("Plan"), dated as of \_\_\_\_\_, 2006, is entered into by **PLUM CREEK MAINE TIMBERLANDS, L.L.C.**, a Delaware limited liability company, formerly known as SDW Timber II, L.L.C., with a place of business in Fairfield, Maine, (hereinafter referred to as "Landowner" or "Plum Creek" or "Grantor") and The Nature Conservancy of the Pine Tree State, Inc ("Holder")

This Plan is being entered into pursuant to Section [5.D] of that certain **CONSERVATION EASEMENT** (the "Easement") granted by Plum Creek to Holder on \_\_\_\_\_, 2006. The intent of the Easement granted in connection with the Concept Plan for Plum Creek's Gateway Lands in the Moosehead Lake Region (the "Project") is to effect the purpose of the Forest Legacy Program ("FLP"), in accordance with the provisions of Title XII of the Food, Agriculture, Conservation and Trade Act of 1990 (16 U.S.C. 2103c), to protect environmentally important forest areas that are threatened by conversion to non-forest uses and therefore also protect important scenic, cultural, fish, wildlife, recreational resources and riparian areas. A further purpose of the Forest Legacy Program and the Easement is to protect the capacity of the Protected Property (as defined below) to produce economically valuable forestry products and to allow Landowner and its successors and assigns to continue to conduct commercial timber and resource management. Plum Creek's objective is to fully utilize its resources through innovative forestry management and harvest techniques. Wise stewardship and good business practices go hand in hand.

A further intent of the Easement is to perpetuate the Protected Property as forest land; to ensure the long term, professional management of the forest resources through forestry activities permitted hereunder; and to provide for commercial production of forest products in a manner compatible with the conservation of water quality, fish and wildlife habitat, and recreation.

The intent of this Plan is to meet the requirements of the FLP to protect environmentally important forest areas that are threatened by conversion to non-forest uses. The FLP requires this Plan to identify and describe objectives and actions that Plum Creek will take to protect, manage, maintain, and enhance soil, water, range, aesthetic quality, recreation and public access, timber, fish, and wildlife resources in a manner compatible with Landowner objectives.



## Introduction

### Ownership Location

This Plan covers portions of Plum Creek's Maine ownership that lies adjacent to Moosehead Lake and is approximately 275,000 acres in size as the same are described in the Easement (the "Protected Property"). (See Appendix A/Ownership Map)

### History

Plum Creek purchased the Protected Property in two different transactions. The initial and largest purchase was from S.D. Warren Company in 1998. The next addition took place in 2004 through an acquisition from Great Eastern Timber Company.

The Protected Property has a long history of ownership by large commercial forest landowners. Much of the land has always been timberland as it was very marginal for farming in relation to other accessible areas in the mid-west. The few acres that were farmed, reverted to forestland starting as early as the mid 19<sup>th</sup> century, accelerating during poor economic times such as the post World War 1 and depression eras. The placement of a softwood pulpwood mill on the lower Kennebec River late in the 19<sup>th</sup> century contributed to having the land consolidated into large contiguous blocks. Spruce and fir were the species of choice and could be transported by river drive. With limited road transportation, the mill owner concentrated land purchases in the Kennebec watershed and were able to block up significant acreages.

### Forest Condition

Limited market opportunities have dominated the forest practices on the Protected Property until the last 20 years. Until the late 19<sup>th</sup> century, harvests were restricted to softwood logs, starting first with white pine followed by Spruce. From the early 20<sup>th</sup> century until about 1990, spruce and fir dominated the pulpwood markets. Hardwood pulpwood has only enjoyed wide spread pulpwood markets for about 20 years. Hardwood logs have enjoyed wide use since about 1900. The lack of hardwood pulpwood markets left many hardwood and mixedwood stands with growing stock of less than optimal quality.

Two major forest types dominate the land base. Beech, birch and maple dominate the hardwoods and spruce/fir dominate the softwoods. Cedar, white pine and hemlock are minor components of the landscape. White ash is a minor component of the forest but is found throughout the ownership. Poplar, although a minor component, is usually found in concentrations due to its ability to dominate disturbed areas. Red Oak is a very valuable species but is restricted to the southern extremes of the Protected Property.

### Silvicultural practices

Although natural regeneration is relied upon most frequently, several thousand acres of softwood plantations have been established on the more fertile soils on the Protected Property. Red pine, black and white spruce, jack pine and larch were the chosen species for planting. Over time, favored species have changed moving from jack



pine to red pine and finally to the spruces. This transition was driven by the anticipated budworm initiated softwood shortfall

Significant areas of natural spruce and fir regeneration have been pre-commercially thinned ("PCT").

Herbicide use has been an integral part of the silvicultural program in addition to planting and pre-commercial thinning. These practices started in the early 1980's, achieved their greatest use by 1990 and are currently at a maintenance level.

Mature stands, regardless of species composition, tend to be past an age suitable for thinning and are invariably in need of regeneration harvests. Past hi-grading (extraction of the most valuable products) in hardwood and mixedwood stands has only intensified the need to regenerate the older forests.

Plum Creek timberlands enjoy good growth rates. Much of the land has gentle relief and good drainage.

### Certification Record

Plum Creek has committed to the Sustainable Forestry Initiative, which was developed in 1994 by the American Forest and Paper Association (AF&PA). The program is a comprehensive system of principles, objectives, and performance measures that integrates the perpetual growing and harvesting of trees with the protection of wildlife, plants, soil and water quality. Plum Creek manages the Protected Property to the Sustainable Forestry Initiative 2005-2009 Standards ("SFIS").

Plum Creek foresters and the independent contractors who work for the company are committed to good stewardship. Plum Creek will continue to manage the Protected Property in a responsible manner in compliance with the SFIS or other Qualifying Certification Program (as defined below).

### Administration

Plum Creek maintains offices that are well situated to administer the various activities on the land base (see ownership map). Field offices are located in the towns of Bingham, Greenville and the Township of Johnson Mountain. The Protected Property falls under the jurisdiction of the Greenville and Johnson Mountain complexes. A regional office is located in Fairfield that addresses local as well as regional issues

Harvesting, road building/ maintenance, silviculture activities and some merchandizing is done by independent contractors. Plum Creek supports an employee work force that is engaged in supervisory, management, accounting and merchandizing functions. Plum Creek's land base is within commuting distance of numerous communities which provide a majority of its work force.

There are multiple markets for most species and product grades. Most of these markets have been in existence for many years and provide volume and pricing stability.



## Wildlife

Plum Creek forests support an abundance and variety of wildlife. Prevalent game species are white tailed deer, black bear, moose, grouse, rabbit and woodcock. Turkeys are locally abundant in the southern tier of the property. The cold water fisheries of brook trout, land lock salmon and lake trout are well represented in the ponds and streams. The pine martin and fisher are well established and lynx sightings are regularly recorded. Lynx appear, however, not to have become established to any significant degree. Bald eagles have made an excellent comeback with hardly a year passing without additional nest sites being documented. These resources provide enjoyment for the general public and for specific species, commercial opportunities for guides, trappers and sporting camps. The extensive road system and open lands policy allow good utilization of the wildlife resources.

State and federally listed endangered and threatened species are managed in accord with recognized guidelines where ever the species occur.

### I. Plan - Scope and Flexibility

The Easement under Section 5.C sets forth "Forestry Standards" that shall govern Plum Creek's commercial forest management on the Protected Property. Plum Creek shall comply with these Forestry Standards by conducting its commercial forest management in accordance with the provisions of the Plan below.

So long as Plum Creek maintains a third party certification that the Protected Property is being managed in accordance with a Qualifying Forestry Certification Program (as defined below) then Plum Creek will be deemed to be in full compliance with these Forestry Standards and this Plan. For purposes hereof, a "Qualifying Forestry Certification Program" shall be any of the following: (i) the SFIS as in effect on the date hereof (including the SFI Audit Procedures and Qualifications)(copies of which are appended hereto and made a part hereof); (ii) successors to the SFIS; (iii) the Forest Stewardship Council Program; (iv) American Tree Farm System Certification; or (v) any similar program that [holder] reviews and approves, such approval not to be unreasonably withheld.

### II. General Provisions of the Plan

#### Element A - Forest Health

Forest harvesting and silvicultural activities are used to create and maintain the forest in a healthy and vigorous condition. To facilitate this objective, pre-harvest prescriptions are developed by foresters and results recorded on inspection sheets.

Contacts with various state agencies are used to raise awareness of potential forest health issues and to develop coordinated responses. State issued reports are distributed to assist foresters in identifying problems and to develop management solutions.

Each field office will keep Maine Forest Service ("MFS") information on pest out



breaks up to date. Area foresters (Plum Creek field foresters) are responsible to field review for potential local problems as they conduct their normal duties.

Current quarantine information and associated compliance records will be kept on hand and area foresters will insure that forest product and equipment movement off site is in compliance. Plum Creek will participate in infestation control and quarantine efforts by the state. Requests by the state for insect and disease sample sites will be honored.

A list of invasive species that are likely to threaten native plant and animal communities within the Protected Property will be kept on file at unit offices. For each species, if available, information on identification, distribution, dispersion mechanisms, impacts, and control mechanisms will be obtained. Appropriate state agencies (Department of Environmental Protection, MFS and Agriculture will be the principal resources for developing the list. Training will be provided on identification and control. The Plum Creek Sportsman's Map will be used to raise public awareness.

Annually, Plum Creek personnel will have meetings with state fire control officials to discuss their respective activity plans. Equipment and operational locations will be reviewed. During times of very high fire danger, logging contractors will be expected to police their operations during non-working times and know the location of equipment suitable for fire suppression. The public will be prohibited from building out door fires in fire hazard areas.

Plum Creek personnel will annually correspond with the Maine Forest Service concerning the upcoming fire season.

#### Element B – Utilization

Plum Creek's utilization program is designed to provide the maximum net return from its harvested volumes consistent with environmental concerns and prudent business practices.

A portion of the annual pulpwood harvest is subject to a fiber supply agreement with the previous owner of the Protected Property. Remaining volumes are available for sale to other markets. Aside from the long-term fiber agreement Plum Creek believes that long-term relations with specific mills are critical to achieve the highest return on sales over the long term. The utilization program has several key components that contribute to its overall success.

#### Element C – Forest Practices

Forestry operations are supervised by Plum Creek employees having either a B.S degree in forestry, a state approved Professional Forester License or under the direction of a forester having either of the two aforementioned credentials (all called area foresters).

The forest area is broken into areas of a size requiring the supervision of one "area forester" averaging about 40,000 acres.



Area foresters are required to determine the silvicultural prescriptions for the harvests within their designated areas. Harvest prescriptions are recorded on a harvest prescription form. This prescription forms the basis from which to determine the success of the proposed operation and determines the future direction of the stand(s). Area foresters are expected to fully understand the interaction between the silvicultural characteristics of managed species, soils properties and physisographic features of the harvested area. Science-based alternatives having higher returns are encouraged. In addition, all applicable laws, rules and ordinances are followed.

Area foresters are given periodic educational opportunities to further their understanding of silvicultural options available to them. This is accomplished by periodically accessing groups such as Cooperative Forestry Research Unit (CFRU), National Council for Air and Stream Improvement (NCASI), the Manomet group, industrial landowners and expert internal resources.

Area foresters are required to know and comply with all forest practice type regulations, including those specific to riparian zones.

Plum Creek maintains and periodically updates its forest inventory on the Protected Property through a combination of initiatives including incorporation of harvest information, growth, sales, purchases, catastrophic events, cultural treatments, interim inventories, etc. The inventory is maintained by species and products for the major forest types found on the Protected Property. The forest types are identified by major species groups, height, and density. Soils maps are available to area foresters.

Forestry staff currently use the Woodstock model to predict future inventory levels. This model has been used since mid-2001. The Woodstock model is run periodically to estimate future inventory for the next 20 years or more. Such runs incorporate the previously mentioned updates plus annual inventory changes, updated growth curves and anticipated management initiatives. Harvest levels are flexible in order to maintain a targeted level of inventory at the end of the planning period. Harvest and silvicultural activities are tracked annually and checked against recommended levels.

Staff periodically updates forest management maps to reflect, new harvests, road activity, silviculture projects, sales, purchases, changes in regulated zones, special habitat locations and other land use changes.

For all regeneration harvests, stand prescriptions sheets will specify either natural or artificial regeneration. Most regeneration will be accomplished using natural regeneration. No exotic species are currently being planted but could be in the future. Occasionally, natural softwood regeneration is inadequate and in-fill planting of compatible softwood species takes place. No hardwood species are planted.

Foresters are encouraged to rely on natural regeneration and reverting to planting in situations where either substantial productivity or quality gains can be realized. For natural regeneration, species will be favored that normally occupy the type of site being regenerated. Higher value species will be favored provided species/site relationships are compatible. Pre-commercial thinning, herbicide use and early commercial thinning are available options if value gains can be realized.

Planting stock comes from seed that has been improved through the selection of



parents exhibiting superior growth and form characteristics. This seed comes from Plum Creek's Maine seed orchard and other sources if needed. Certain species such as red pine that have little or no genetic variability are either purchased or collected during forest harvests from Company land. No biotech originated seed is currently used, but may be in the future if appropriate and only in compliance with all laws and regulations. The company controls its seed sources to insure better quality seedlings for its planting program. Its white spruce seed source originated from plantation stock exhibiting superior growth and form characteristics. On sites having documented nutrient issues, slash is either returned or left in place, depending on the harvesting equipment used.

Grantor shall provide notice to Holder prior to the planting of any exotic species, or use of biotech originated seeds. Grantor agrees to take into consideration the Protected Property's conservation values (including the avoidance of habitat fragmentation) to the extent reasonably practicable, provided that the ultimate decision to plant exotic species or use biotech originated seeds shall be made in the sole discretion of the Grantor.

Reforestation of clearcuts will meet the Forest Practice Act (FPA) requirements for acceptable growing stock. For other regeneration harvests, regeneration will be addressed in the prescription sheet and be consistent with any legal requirements. Unless in conflict with other objectives, adequacy of regeneration is judged on its meeting state and local laws and protocol requirements where they exist. All clearcuts (State of Maine definition) are checked by area foresters for compliance within 5 years of harvest. The mapping system is programmed to alert foresters, two years after harvest, as to areas requiring regeneration checks. Compliance information is kept at the unit level. Forestry staff tabulates the regeneration type harvests for state reporting purposes.

The company is involved in several research projects to improve forest productivity. Membership in the Cooperative Forestry Research Unit (CFRU) funds projects in fertilization, hardwood improvement, commercial and pre-commercial thinning, herbicide trials and site evaluation tools. Several of these projects are located on Plum Creek lands. Periodically, area foresters are given updates on evolving applied forestry research, which alternates between field and office presentations. Visitations to other public and private land ownerships take place as well.

Growth plots are maintained on maturing Plum Creek plantations and PCT sites to develop better growth information.

#### Element D – Legal Compliance

All activities carried out by employees on behalf of Plum Creek will be carried out in conformance with applicable laws. Whenever appropriate, compliance will be part of the job's requirements as reflected in goals or other appropriate mechanism. Each office will maintain a compliance file that records any reported infraction and the outcome including mitigation obligations.

Legal compliance will be checked through a variety of processes. Periodic field and office checks by company personnel will be made to determine compliance. Issues needing attention will be immediately addressed and corrected. Any compliance issue will be communicated to other offices that could have the same problem. Periodically,



upper management for the region will be appraised on compliance and actions to correct deficiencies and maintain acceptable performance. A file will be maintained to document office and field checks, actions required and taken and annual reports to and from upper management.

#### Element E – Wildlife Practices

An objective of the SFIS is to ensure that forest management practices will “manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand- and landscape-level measures that promote habitat diversity and the conservation of forest plants and animals including aquatic fauna.” The SFIS provides general performance measures and indicators to meet this objective. Plum Creek will manage the Protected Property consistent with the SFIS objective, performance measures and indicators.

Plum Creek manages its resources while considering fish and wildlife through judicious control of road access, timber harvest management, and cooperation with state and federal fish and wildlife agencies.

Plum Creek’s forest management program promotes the perpetuation of native species and forests stands/types. A modest planting program is carried out and currently only uses native species. Silvicultural prescriptions necessary to insure the success of this management program are detailed in the stand prescription sheets.

The Protected Property is periodically surveyed to update its forest cover types. These cover types are in turn transformed into metrics compatible with DeGraaf’s Matrix for terrestrial vertebrates. This information is the foundation from which to evaluate how the land base is addressing the habitat needs of a broad range of species. The Company’s land base is very extensive and contiguous providing a singular opportunity to positively impact biodiversity and wildlife habitats on a landscape scale. Plum Creek further extends its influence beyond its boundaries by working with other landowners through the SFI State Implementation Committee (SIC) outreach educational and training programs.

Maine’s Department of Inland Fisheries and Wildlife (DIF&W) identifies species of special concern including threatened and endangered species and provides regulatory and non-regulatory standards, guidelines and Best Management Practices (BMPs) for habitat management. Specific to Plum Creek lands, Eagles, white tailed deer and vernal pools require special habitat considerations. Riparian zones are provided special regulatory and non-regulatory protection to promote habitat opportunities for both terrestrial and aquatic species. All regulatory requirements, BMPs and guidelines are addressed in stand prescriptions where opportunities for their application exist.

The Manomet group has provided a list of habitat elements to maintain across the landscape (a copy of which is attached hereto in Appendix B). As foresters field review future operating sites, habitat elements, if present, are considered for retention. Stand prescriptions and inspection reports indicate where elements have been addressed.

The “Biodiversity in the Forests of Maine, Guidelines for Land Management”



publication is also available to area foresters.

Fire has not been a significant long-term factor in shaping forests in the state of Maine. There are several tree species on the land base that are regenerated through disturbance regimes including but not exclusively through fire. Two species, jack pine and red pine are very clearly associated with fire but through a previous planting program, both species are now better represented on the landscape than at any previous recorded time. Consequently, species dependent on fire and disturbance related habitats should be well provided for.

#### Element F – Significant Natural Communities and Rare/Threatened Species

Locations of critically imperiled and imperiled species (G1 and G2) are identified through Maine's Natural Heritage Program and made known to field personnel. Guidelines developed by the DIF&W are distributed to affected field personnel for their consideration when significant operations are being planned.

Plum Creek lands have been surveyed for significant natural community types by the State's Natural Area's Program. Where active management of these types is planned, the Heritage Staff is consulted. The Natural Heritage Program is periodically contacted to update Plum Creek files and maps.

As imperiled species and significant natural communities are located they are placed on Plum Creek maps and are available to area foresters.

Late successional forests have been identified and methodologies to retain specific structural elements on the landscape are being developed through the Manomet group. Future inventories will gather information that will enable the use of Manomet's Late Successional Index to quantify the extent of this resource.

#### Element G – Manomet's Habitat Elements

The Manomet Center for Conservation Sciences has provided Plum Creek with five guidelines for retaining important habitat features on the landscape, a copy of which is in Appendix B hereto.

#### Element H – Water Quality

Plum Creek will maintain its compliance with the voluntary BMP's. (Current State of Maine Forest Service Publication regarding Best Management Practices as amended.)

Non-forested wetlands, including bogs, fens, vernal pools and marshes of significant size, perennial streams, rivers, lakes and ponds are mapped by state agencies including LURC, DEP and local towns. This information is recorded on Plum Creek's mapping system and available for field use. Each unit office will have all applicable BMPs and regulations (including agency maps) available to its area foresters and contractors. Town and county ordinances and state rules and regulations will be followed without exception. Operational activities will be preplanned using a combination of resources including soil maps, aerial photos, ground reconnaissance and regulatory information. Critical resources including regulated water bodies and non-forested



wetlands within areas proposed for forestry activities will be reviewed and plans developed to insure legal and BMP compliance.

During the planning stages, proposed operating areas are reviewed for required compliance with water quality regulations and for BMP implementation. Pre-harvest consultation with contractors, flagging of riparian zones, harvest prescriptions and inspection reports will also be used as planning tools.

Operational activities and outcomes will be documented through harvesting prescriptions and inspection documents. Stand prescriptions will note compliance needs and inspection reports will reflect actual field compliance and needed corrections, if required. Stand prescriptions and road plans address how water bodies and their respective riparian zones will be managed as operations are carried out. Additional compliance checks are done periodically by staff.

All forest operational activities are required to follow BMP Guidelines consistent with EPA requirements and published by State Agencies in all material respects. Area foresters are expected to tailor their use of BMPs to the specific operational site. Area foresters are encouraged to use the best methodology to protect soil productivity and water quality

Area foresters are expected to protect site productivity and water quality by minimizing rutting, soil compaction, soil movement (especially in or adjacent to riparian zones), concentration of flow and bare soil.

Forestry activities will be concentrated during periods having generally the best operating conditions. Whenever weather events are such that operations would likely cause site degradation or impact water quality, foresters using their reasonable judgment will determine, on an operation by operation basis, if certain activities need to be curtailed.

BMP audits in Maine have shown that road construction and maintenance at water crossings sites are the most common sources of sedimentation. Yards and roads will be kept to the minimum sizes consistent with operational needs to reduce the risk of sedimentation. Adequate filter strips will be maintained in riparian areas and exposed soil stabilized.

Periodic training will be provided to area foresters and contractor personnel in BMP and regulatory compliance. Staff will work with resource agencies and the SIC to facilitate BMP training efforts and programs.

Contracts will state the need for contractors to comply with regulations and BMPs. Contract provisions do not allow payment for services that are not in compliance with BMPs and regulations.

### III OTHER RESOURCES

In accordance with the Forest Legacy Program, the following describes Plum Creek's objectives and actions for various resources.



#### A Soil

Plum Creek will maintain soil and site productivity by minimizing soil disturbance.

#### B Aesthetic Quality

Plum Creek recognizes aesthetic values along major travel corridors and manages these areas by using appropriate design standards and harvest methods.

#### C Recreation

Plum Creek will continue to allow for the responsible use of the Protected Property for both commercial and non-commercial recreation such as fishing, hunting, and camping as set forth in the Easement.

#### D Minerals

Minerals will be extracted as permitted in the Conservation Easement.

### IV PLAN GUIDELINES and METRICS

Plum Creek agrees to the following guidelines and metrics to measure its activities. These guidelines and metrics are not intended to restrict fiber production but to provide measures to ensure the Plan objectives are met. If the forest practices are found to vary from these guidelines, the Liaison Committee will develop a plan to bring the practices into compliance.

1. Commit to external SFI or other comparable audit of at least one site in the Protected Property at least once every 5 years.
2. Prepare an annual report on the regeneration of class II clearcuts consistent with regulatory requirements.
3. Provide notice of pending pesticide applications.
4. Maintain a current list of exemplary community types and rare and threatened species sites identified on the Protected Property by the Natural Areas Program.
5. Annually provide the average size of clearcuts
6. Annually provide an accounting of in kind services and funds used to promote forestry/wildlife related research.
7. Annually report any regulatory fines and required mitigation efforts
8. Annually report on staff and contractor training that pertains to forestry related activities.

Catastrophic events such as fire, disease, and insect infestation may require modifications of the above guidelines and such situations need to be addressed by the Liaison Committee.



## V EASEMENT AND MONITORING

The Easement is intended to maintain the "status quo" by providing for perpetual and responsible forest management across the Protected Property. The Easement acquired by Holder will restrict the development rights on the Protected Property, which will preclude residential and commercial development that is not associated with resource management.

Holder will monitor the terms of the Easement and this Plan on at least an annual basis. A Liaison team representing Holder and Plum Creek will be established to deal with management issues (e.g. issues related to forestry, public access including motorized access to the Protected Property, etc.) that may arise over time. The Liaison Team shall meet annually or at such other frequency as the parties shall mutually agree. It is expected that this Plan will be amended over time to better represent current knowledge and conditions on the ground.

Any amendment to this Plan must have the consent of both parties and must be in writing and signed and acknowledged by the parties. If there is any inconsistency between the terms of this Plan and the Easement, the terms of the Easement control. Holder will keep a current Plan in its files and will make the then current Plan available to successors in interest to the Protective Property.

LANDOWNER: PLUM CREEK MAINE TIMBERLANDS,  
L.L.C.

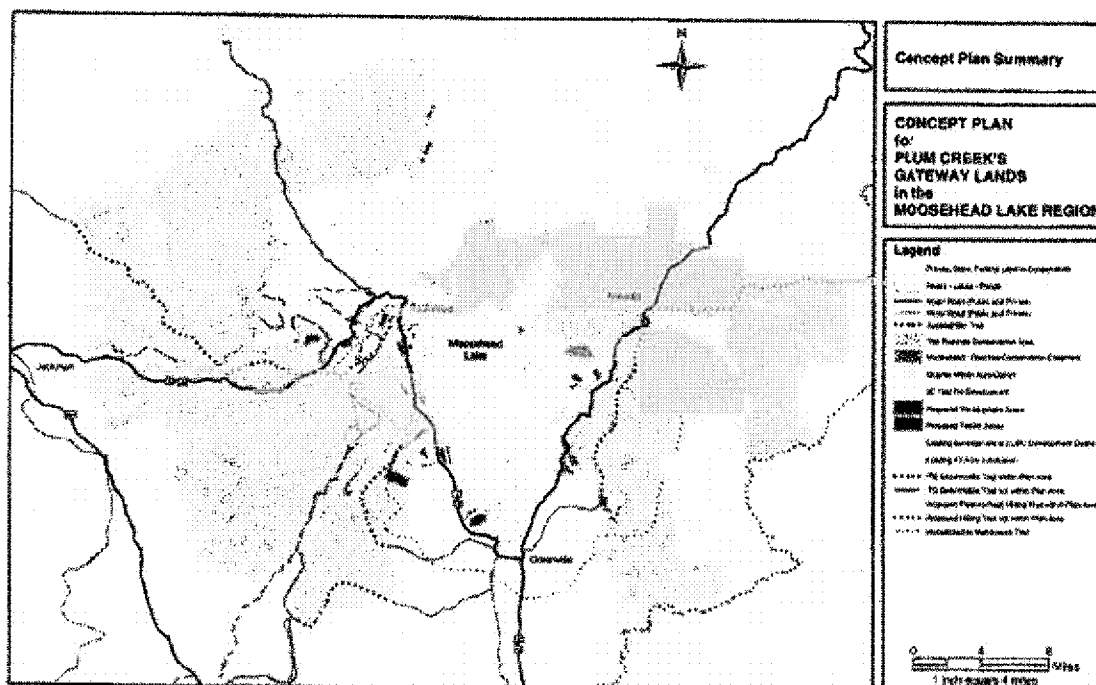
By: \_\_\_\_\_

HOLDER: THE NATURE CONSERVANCY OF THE  
PINE TREE STATE, INC

By: \_\_\_\_\_



## Appendix A– Map of Protected Property





## Appendix B– Manomet’s Habitat Elements

### Shifting Mosaic Interim Guidelines

The success of the guidelines below depend on the foresters’ awareness of their towns and their commitment to long-term planning.

Don’t eliminate any habitat from the landscape

Don’t take the last of any habitat type. This requires having a good sense of what timber types and riparian types exist in an area, as well as a sense of what forest stands may be “in the pipeline” to add to or replace the limited habitat.

Develop harvest “zoning” to minimize long-term habitat fragmentation

Large units are OK. Planning ahead for the harvest that will be adjacent to the current block will allow good cohesion in a landscape plan. Think about the how the sequence of age classes and timber types will develop over time.

Apply special attention to existing older forest types

Harvesting of older stands should be planned in relationship to adjacent timber types. Ask yourself whether logging that particular stand today will “*eliminate that habitat type from the landscape.*” If the logging will not eliminate the habitat, it may be appropriate to harvest.

Explore feasibility of retaining ecologically important features

Surrounding important features with retention patches is one way of preserving significant features such as denning sites, vernal pools, patches of unique vegetation, etc. Unique features can become the center of clearcut buffer strips, or serve as an “island” within a more intensively managed parcel. The forester must decide whether to leave a partial cut buffer or a “no entry” buffer. A partial cut buffer is generally acceptable if the logging does not compromise the integrity of the feature.

Retain large trees, snags, downed woody debris

Where they don’t pose a hazard to the harvesting operation, leave snags or future snags (oversize and culls). Haul back slash where it will benefit the site.

*Shifting Mosaic Guidelines 10/3/00*







# Appendix – Prescription Sheet



Plum Creek

45 Capital Road  
WEST FORK, OK 73088  
PHONE 1-800-483-4428

## FOREST PRESCRIPTION SYSTEM

### GENERAL IDENTIFICATION SECTION

CONTRACTOR: <input type="text"/>	DOING BUSINESS AS: <input type="text"/>
SALE: <input type="text"/> DRAFT	TOWNSHIP: <input type="text"/>
FORESTER: <input type="text"/> 0	BRAND #: <input type="text"/>
ROAD #: <input type="text"/>	STATE NOTIFICATION #: <input type="text"/> WNA
HARVEST DATE: <input type="text"/> Jan-00	ORIGINAL STATE / LURC NOTIFICATION DATE: <input type="text"/> 1/1/2000
HARVEST BLOCK #: <input type="text"/>	EFFECTIVE AMENDED DATE: <input type="text"/>

### PRE-HARVEST SECTION

LURC/DEP ZONES: <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
SEASON OF OPERABILITY: <input type="text"/>			
CROWN CLOSURE: <input type="text"/>	BASAL AREA: <input type="text"/>		

### STAND DESCRIPTION:

### WINDTHROW POTENTIAL:

### EROSION CONTROL PLAN:

### HARVEST SECTION

HARVEST SYSTEMS: <input type="text"/>	<input type="text"/>	<input type="text"/>
HARVEST TYPE: <input type="text"/>		
HARVEST SIZE: <input type="text"/> ACRES	SEP. ZONE SIZE: <input type="text"/> ACRES	

### HARVEST GOALS & INSTRUCTIONS:

### RESIDUAL CROWN CLOSURE:

### RESIDUAL BASAL AREA:

### FUTURE TREATMENT/REGENERATION SECTION

### Regeneration Type:



### IN CHARGE FORESTER:

### LICENSED FORESTER / RESOURCE MANAGER:

 Mark Daly

### SIGNATURE:

### LICENSE #:

### SIGNATURE:

### LICENSE #:



# FIELD INSPECTION REPORT

SALE NAME: _____		BRAND NUMBER: _____	
INSPECTION DATE: _____		TOWN: _____	
FORESTER: <u>B. Sayce</u>		ROAD # _____	
CDDP / CONT. _____		EQUIPMENT MIX: <input type="checkbox"/> Crew <input type="checkbox"/> Hand Crows <input type="checkbox"/> Mechanical <input type="checkbox"/> Processor / Forwarder <input type="checkbox"/> Tire Machine	
VOLUMES ON YARD: ( ) Below Normal (X) Normal ( ) Excessive			
<input type="checkbox"/> Initial Inspection		<input type="checkbox"/> Interim Inspection	
<input type="checkbox"/> Final Inspection			
Has Harvest Plan been reviewed with Contractor / Supervisor / Foreman:			
S = Satisfactory U = Unsatisfactory (requires corrective action as noted below in comments) N = Needs Improvements N/A = Not Applicable			
<b>HARVESTING</b>		<b>Comments</b>	
Ditch clean/Culverts open-not crushed		<b>HARVESTING</b> Is prescription being followed Landing location sized appropriately Are residuals being protected Tops distributed into site Spacing between skid trails Skidding minimized soil impact Proper tree selection Proper skid trail locations	
Grass seeded where needed			
Are skidders using road surface			
Water - Bars installed in trails	USED SLASH		
Skid trail & landing drainage provided			
Excessive rutting			
Retention meets State Laws			
Landings clear of debris			
<b>SPREAD IN TRAILS</b>			
<b>RIPARIAN ZONES</b>		<b>Comments</b>	
Stream clear of logging debris		<b>GENERAL</b> Yard Sign with Brand # on site Are all logs being marked Log Spec book on site Weekly delivery sheet on site Budgeted Vol. being delivered	
Soil disturbance minimized			
Proper location for stream crossing			
Adequate leave strip width			
vegetation maintained for stability & shade			
<b>UTILIZATION</b>		<b>Comments</b>	
Maximum High-Grade recovery		Are logs being trucked within a timely fashion Are logs being sorted by species / grade Is wood being processed to maximize value Proper felling of trees to minimize butt damage	
Are logs being trucked within a timely fashion			
Are logs being sorted by species / grade			
Is wood being processed to maximize value			
Proper felling of trees to minimize butt damage			
<b>SAFETY</b>		<b>Comments</b>	
PERSONAL - Hard Hats, Chaps, First Aid Kits, Hung Trees, etc.			
EQUIPMENT - Oil Spill Kit, Skidder Blade down when stopped, etc.			
PUBLIC SAFETY - proper signs, speed, etc.			
<b>LURC-DEP-FPA STANDARDS</b>		<b>Comments</b>	
Adequate volume being maintained in separation & leave areas			
Were all Unsatisfactory conditions corrected? _____			

**Comments:**







[illegible]



## Introduction

The following procedures are proposed for performing a forest inventory of lands on S. D. Warren Company Lands in Maine. The purpose of the cruise is to provide species specific tonnages by broad forest strata for sawlogs, boltwood, pulpwood, and, fuelchips by 1" diameter classes.

## Sample Location

- The cruise consists of approximately 4,000 temporary sample points. Cruise lines were randomly located. Non-forest areas were excluded from the cruise, and no plots were to be taken in these areas. Any plots that fell into a mapped, nonforest area are excluded from the cruise results.
- Each cruise line consists of up to ten 15 BAF sample points for sampling trees over 3.6" DBH, and a 1/900th acre Rectangular plot for sampling trees from 2 ft in height to 3.5" DBH and coarse woody debris.
- In the event that a point fell into either a mapped, non-forest type or fell off the property, the cruiser attempted to relocate the point by moving in full chain increments first east then west of the marked point location. In the event that these guidelines proved inadequate for point relocation, the cruiser was to use his or her best judgment to locate the plot in an unbiased manner. It was clearly noted on the tally sheet whenever a point was relocated.
- Each sample point was marked on forest cover type maps provided to the cruiser. The cruiser was responsible for locating points as close as practical to the mapped point. Direction and distance from a readily definable access point to the initial point was recorded on the front of the tally sheet. Plastic flagging was hung at the access point with the point number and magnetic direction and distance to the point written on the flagging in permanent marker. The actual location of the sample point was plotted on a copy of the forest cover type map by the cruiser and returned to Sewall company.
- Each point center was marked by hanging at least 12 inches of plastic flagging at eye level. This flagging had the point number marked on it in permanent marker. The center of each point was marked with a branch inserted into the ground with plastic flagging attached to it. Additionally, flagging was hung at the 5 chain intervals on the path to the point.
- Any point falling within 1 chain of a road or other non-forest type was moved in a cardinal direction in full chain increments until it could be located at least one chain from the non-forest type. In the event that these guidelines proved inadequate for point relocation, the cruiser used his or her best judgment to locate the plot in an



unbiased manner. It was clearly noted on the tally sheet where the point was moved to.

## Point Tally

- The following information was recorded at each point:
  1. Plot number as show on the forest cover type map provided.
  2. Date & Cruiser initials
  3. Forest cover type as follows:
 

Composition Class:	<b>H</b>	(>75% hardwood)
(Based on % of volume)	<b>SH</b>	(50-74% softwood)
	<b>HS</b>	(50-74% hardwood)
	<b>S</b>	(>75% softwood)
	<b>PB</b>	(>75% Paper birch)
	<b>PL</b>	Plantation

Size Class:	<b>1</b>	(regeneration to 15')
	<b>2</b>	(15' to 30')
	<b>3</b>	(> 30' with dbh >4.5" and < 9.5")
	<b>4</b>	(dbh > 9.5")

Density:	<b>A</b>	(70-100% crown closure)
	<b>B</b>	(40-69%)
	<b>C</b>	(20-39%)
	<b>D</b>	(0-19%)
  4. Suffix:
 

<b>S</b>	Swampy
<b>CS</b>	Cedar Swamp
<b>T</b>	Thinned

## Sapling Tally

- All trees on the 1/900 acre rectangular plot (6.0' by 8.07") over 2 feet tall and under 3.59" DBH were tallied. The plot was laid out using a 8.07' line attached to a pin at each end. One end of the line was anchored at point center and the opposite end was anchored magnetic north of the point center. A 6 foot rod, marked in the center was used to determine which trees were in the plot. In order to facilitate check cruising, the cruiser marked the north end of the rectangular plot with flagging attached to a stick and placed in the ground at the point of the second pin.



Code	Species	Code	Species	Code	Species
WP	White pine	RM	Red maple	BW	Basswood
HE	Hemlock	WB	White birch	EH	Eastern Hophornbeam
RS	Red spruce	YB	Yellow birch	SM	Striped maple
WS	White spruce	BE	Beech	WI	Willow species
BS	Black spruce	RO	Red oak	FC	Fire or Pin cherry
BF	Balsam fir	QA	Quaking aspen	MM	Mountain maple
RP	Red pine	BT	Bigtooth aspen	MA	Mountain ash
JP	Jack pine	BP	Balsam poplar	DE	Dead tree
CE	Cedar	WA	White ash	OH	Other Hardwood
LA	Larch	BA	Brown ash	US	Unknown softwood
OS	Other softwood	GA	Green ash	UH	Unknown hardwood
		BL	Black ash	SA	Speckled alder
HM	Sugar maple	BC	Black cherry		

Table 1. Tree Species Codes and Species

Code	Species	Code	Species
RU	Rubus species	NR	N. wild raisin
CU	Currant species	SP	Spiraea species
RE	Red elderberry	LA	Laurel species
CH	Choke cherry	CR	Cranberry
MB	Mooseberry	HO	Honeysuckle
SB	Sweet bay	VI	Viburnum species
UN	Unknown	CB	Chokeberry
WH	Witchhazel	YE	Yew
DO	Dogwood Species	LT	Labrador tea
HB	Hobblebush	SH	Shadbush
BH	Beaked hazelnut	BL	Blueberry

Table 2. Shrub Species Codes and Species



- For each tree tallied, the following information was recorded:

1. Tree species code (see tables 1 and 2)

2. DBH in 1 inch classes as follows:

Under 0.6	0 inch class
0.6 - 1.59	1 inch class
1.6 - 2.59	2 inch class
2.6 - 3.59	3 inch class

3. Tree height class as follows:

1	2 - 3	Ft
2	3 - 6	Ft
3	6 - 12	Ft
4	12 - 18	Ft
5	> 18	Ft

### Other Woody Species Tally

- The presence of other woody species in the 1/900 acre rectangular plot was noted by recording the species code(s) of any other tree/shrub species that is less than 2 feet tall that occurred in the plot. The species code appears only once regardless of the number of stems of that species on the plot.

1. Tree species code (see tables 1 and 2)

### Down Coarse Woody Debris Tally

- Any down (leaning greater than 45 degrees from vertical) coarse woody debris over 1 inch in diameter in the 1/900 acre rectangular plot was measured. The following information was recorded:

1. Type of debris as follows:

L	BoLe
T	Top
B	Branch
E	Entire tree

2. The "in" plot length of the debris. The length of the portion of the debris that falls inside the boundaries the 1/900 acre plot to the nearest foot.



3. The diameter of the piece at the midpoint of the length that falls inside the plot.
4. The Maser class for the piece (See table 3)
5. The cause of the debris as follows:
  - S Sawn
  - N Natural break
  - U Unknown

### Merchantable Tree Tally

- All live trees [leaning trees without root crown lifted, regardless of lean] and all dead trees that lean less than 45 degrees from vertical on the plot over 3.6 inches DBH were tallied. For each tree tallied, the following information was recorded:
  1. Tree species code (see table 1).
  2. DBH in 1 inch classes. Classes will be as follows:

3.6 - 4.59	4 inch class
4.6 - 5.59	5 inch class
38.6 - 39.59	39 inch class
39.6 and over	40 inch class
  3. The Maser code for the tree (See table 3).
  4. The presence or absence of cavities in the tree as:
    - Y Cavities present
    - N No Cavities present
  5. Product for each 8 foot section to the top of the tree as given in table 4. Guidelines for assigning products by section are given in Appendix A.

Figure 1 shows a sample completed tally sheet for one plot.



Log Characteristics	Log decomposition Class 1	Log decomposition Class 2	Log decomposition Class 3	Log decomposition Class 4	Log decomposition Class 5	Log decomposition Class 6
Bark	Intact	Intact	Intact	Intact	absent	absent
Twigs < 3cm	present	absent	absent	absent	absent	absent
Texture	Intact	Intact to partly soft	hard, large pieces	small, soft, sticky pieces	soft and powdery	soft like
Shape	round	round	round	round to oval	oval	ridge on forest floor
Color of wood	original color	original color	original color to faded	light to faded brown or yellow	reddish to light yellow or gray	barely any wood visible
Position of log on ground	log elevated on support points	log elevated but sagging slightly	log is sagging near ground	all of log on ground	all of log on ground	all of log on ground

Table 3. Master Classes for Trees and Coarse Woody Debris



Code	Product	Species	Min. DBH Class	Min. Top	Min. Length	Description
V	Veneer	Hardwoods	11"	10.0"	8 feet	1 knot per 4' max. No seams allowed. Max. sweep 4"
L	Sawlogs	Hardwoods	11"	10.0"	8 feet	Minimum 2 sides clear
		Spruce & Fir	5"	4.0"	16 feet	Straight and Sound Free of excessive knots
		White Pine	9"	8.0" 10.0" for 12' or shorter logs	10 feet	Straight & sound No knots over 4" Knots must be over 18" apart
		Hemlock & other softwoods	9"	8.0"	16 feet	Straight & sound Free of excessive knots
T	Pallet Tie Logs	All Hardwoods	8"	7.0" Max 16.0"	8 feet	0 and 1 side clear, must be straight & sound.
B	Boltwood	All Hardwoods	8"	7.0"	8 feet	Minimum 2 sides clear, straight & sound. Future veneer & sawlogs.
G	Growing Stock	All species	4"	3.0"	8 feet	Potential to produce a sawlog or better product in the future.
P	Pulpwood	All species	4"	3.0" Min. Max. 24" Hdwd Max. 27" Sftwd	12 feet min.	Sections not meeting growing stock or better specs.
C	Cull	All species	4"	N/A	N/A	Over 50% rot or void in bole or any pulpwood quality piece over 24" diameter for hardwood or over 27" diameter for softwood.
X	Submerchantable	All species	4"	N/A	N/A	All sections above the limit of merchantability to the top of the tree.

Table 4. Products, Product Codes and Specifications

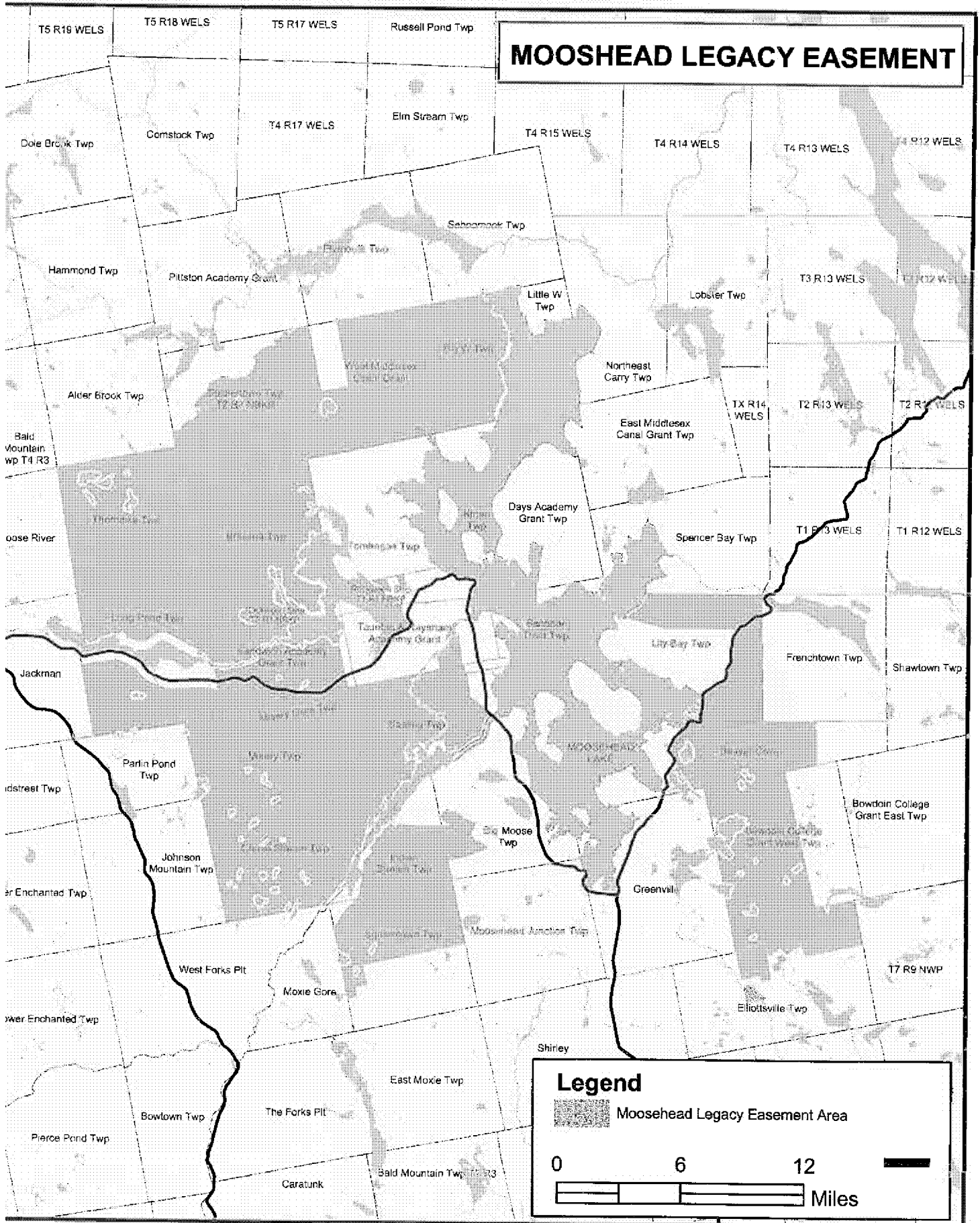


EXHIBIT "D"

**MOOSEHEAD EASEMENT PROPERTY MAP**



EXHIBIT D





**EXHIBIT "E"**

**MAP OF BOG PHASE I LMF PROPERTY**



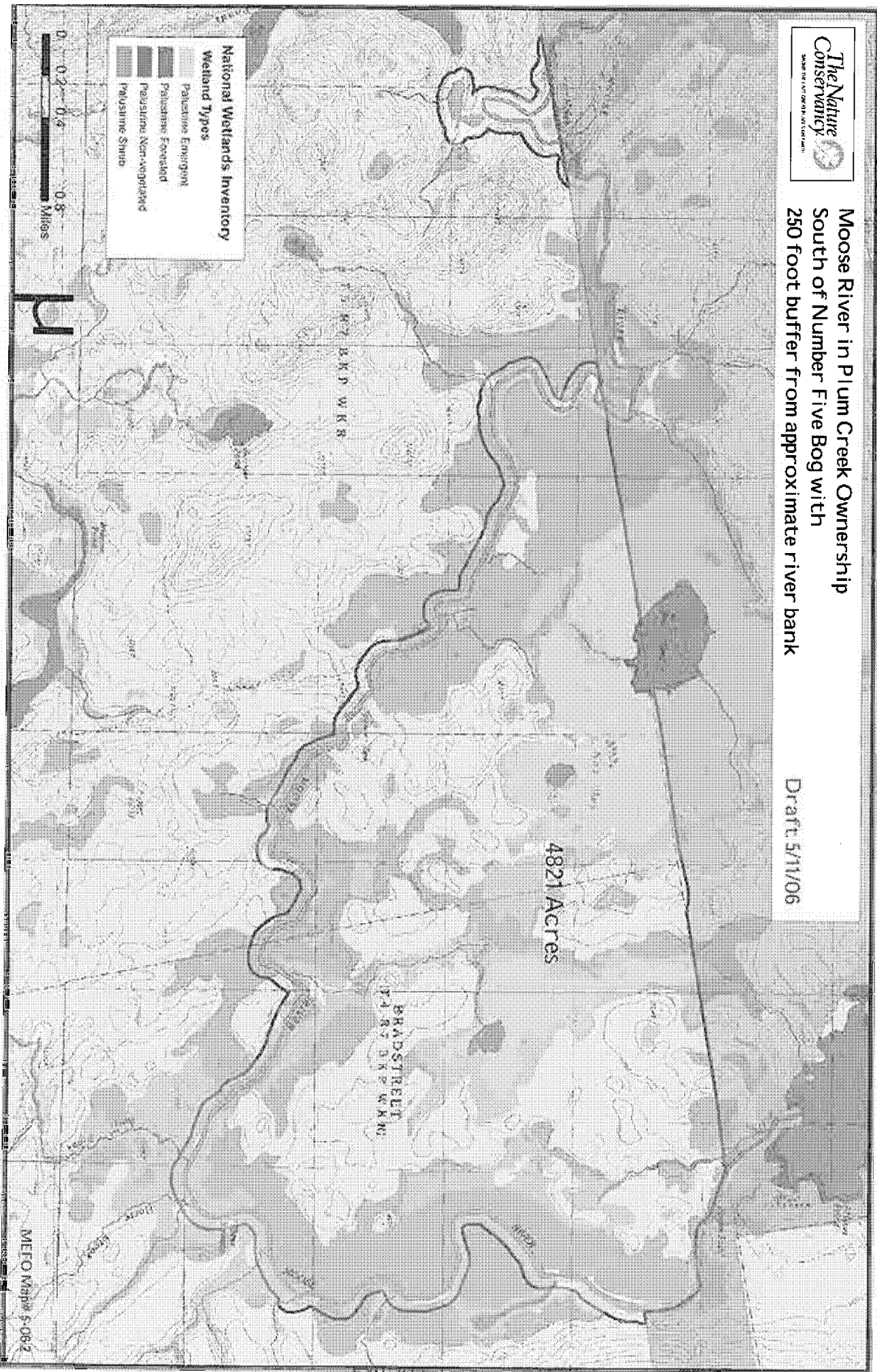


**Moose River in Plum Creek Ownership  
South of Number Five Bog with  
250 foot buffer from approximate river bank**

Draft 5/11/06

**National Wetlands Inventory**  
**Wetland Types**

[Light Gray Box]	Palustrine Emergent
[Medium Gray Box]	Palustrine Forested
[Dark Gray Box]	Palustrine Non-forested
[White Box]	Terrestrial Shrub





## EXHIBIT "F"

### PERMITTED ENCUMBRANCES

The following shall not be deemed encumbrances or defects:

- (i) liens for taxes, assessments and other governmental charges which are not yet due and payable as of the Closing;
- (ii) all land use (including environmental and wetlands), building and zoning laws, regulations, codes and ordinances affecting the Property;
- (iii) any rights of the United States of America, the State in which the Property is located or others in the use and continuous flow of any brooks, streams or other natural water courses or water bodies within, crossing or abutting the Property, including, without limitation, riparian rights and navigational servitudes;
- (iv) title to that portion of the Property, if any, lying below the mean high water mark of abutting navigable rivers;
- (v) all customary easements and rights-of-way apparent or of record ;
- (vi) all existing public and private roads and streets; and
- (vii) all encroachments, overlaps, shortages in area, boundary line disputes, persons in possession, cemeteries and burial grounds and other matters not of record which would be disclosed by an accurate survey or inspection of the Property.



## EXHIBIT "G"

### ASSIGNMENT AND ASSUMPTION OF CONTRACTS, LEASES AND PERMITS

This Assignment and Assumption of Contracts, Leases and Permits (the "Assignment") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, by and between Plum Creek Maine Timberlands, L.L.C., a Delaware limited liability company ("Assignor"), and The Nature Conservancy, a non-profit corporation of the District of Columbia ("Assignee").

#### WITNESSETH:

WHEREAS, Assignor and Assignee entered into a Real Estate Purchase and Sale Agreement dated as of \_\_\_\_\_, 2006 (the "Purchase Agreement"); and

WHEREAS, Assignor is a party with the parties (each a "Contracting Party", collectively, the "Contracting Parties") set forth on the contracts, leases and permits which are referenced as "Temporary Encumbrances" in the Purchase Agreement, which are further identified on Exhibit A attached hereto, and which are hereby incorporated herein by this reference (each a "Contract" collectively, the "Contracts"); and

WHEREAS, the Purchase Agreement provides that Assignor's interest in the Contracts are to be assigned to Assignee, and Assignee is to assume all of Assignor's responsibilities under the Contracts; and

WHEREAS, Assignor desires to assign to Assignee all of its right, title, and interest as the Assignor under the Contracts, and Assignee desires to accept such assignment and assume all of Assignor's obligations under the Contracts, all pursuant to the terms of the Purchase Agreement.

NOW, THEREFORE, for one dollar, and other good and valuable consideration, including the entering into of the Purchase Agreement, the receipt and sufficiency of which are hereby acknowledged, it is understood and agreed as follows.

1. Assignor does hereby convey, assign, transfer, and set over unto Assignee, its successors and assigns, all of Assignor's right, title, and interest in and to each Contract.
2. Assignee hereby accepts the foregoing assignment and transfer and agrees to faithfully perform all covenants, stipulations, agreements, and obligations of the Assignor under each Contract which has been assigned to such Assignee hereunder.
3. The provisions of this Assignment and Assumption Agreement are subject, in all respects, to the terms and conditions of the Purchase Agreement and all of the representations and warranties, covenants and agreements of the parties thereto contained therein. All of the terms of the Purchase Agreement relating to this Assignment and Assumption Agreement shall survive the execution and delivery of this Assignment and Assumption Agreement, to the extent



indicated in the Purchase Agreement. Further, to the extent any of the Contracts may be considered encumbrances on title, such Contracts are hereby accepted by Assignee as Permitted Temporary Encumbrances under the Deeds, as such term is defined in the Purchase Agreement, notwithstanding that such Contracts are not specifically identified as exceptions to the warranty of title in the Deeds.

4. Assignee hereby indemnifies and holds harmless Assignor from and against any and all claims, causes of action or damages (including attorney's fees, expenses of litigation and costs of appeal), if any, arising out of Assignee's assumption of Assignor's rights and obligations pursuant to the Contracts, to the extent that the claims, causes of action or damages arise after the date hereof. Assignor hereby indemnifies and holds harmless Assignee from and against any and all claims, causes of action or damages (including attorney's fees, expenses of litigation and costs of appeal), if any, arising out of liabilities incurred or Assignor's failure to perform any condition or covenant of any Contract, to the extent that the claims, causes of action or damages arose on or prior to the date hereof.

**IN WITNESS WHEREOF**, the parties hereto have caused this Assignment and Assumption of Contracts, Leases and Permits to be executed on the day and year first above written.

**ASSIGNOR:**

**PLUM CREEK MAINE TIMBERLANDS, L.L.C.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ASSIGNEE:**

**THE NATURE CONSERVANCY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



EXHIBIT "H"

FORM OF QUITCLAIM DEED WITH COVENANT

AFTER RECORDING, RETURN TO:

QUITCLAIM DEED WITH COVENANT

KNOW ALL BY THESE PRESENTS, that \_\_\_\_\_, a \_\_\_\_\_, having a mailing address of \_\_\_\_\_, ("Grantor") for consideration paid, grants unto \_\_\_\_\_, a \_\_\_\_\_ with a mailing address of \_\_\_\_\_, ("Grantee") with quitclaim covenant, that certain real property situated in \_\_\_\_\_, Township, County of \_\_\_\_\_, and State of Maine, more particularly described and shown on Exhibit "A" attached hereto and made a part hereof (the "Premises").

RESERVING UNTO GRANTOR, its successors and assigns, a permanent, non-exclusive easement and right-of-way for ingress and egress, subject to the terms and conditions contained on Exhibit "B" attached hereto and made a part hereof.

The conveyance made herein is subject to the following:

- (i) liens for taxes, assessments and other governmental charges which are not yet due and payable as of the Closing;
- (ii) all land use (including environmental and wetlands), building and zoning laws, regulations, codes and ordinances affecting the Property;
- (iii) any rights of the United States of America, the State in which the Property is located or others in the use and continuous flow of any brooks, streams or other natural water courses or water bodies within, crossing or abutting the Property, including, without limitation, riparian rights and navigational servitudes;
- (iv) title to that portion of the Property, if any, lying below the mean high water mark of abutting navigable rivers;
- (v) all customary easements and rights-of-way apparent or of record ;
- (vi) all existing public and private roads and streets; and



(vii) all encroachments, overlaps, shortages in area, boundary line disputes, persons in possession, cemeteries and burial grounds and other matters not of record which would be disclosed by an accurate survey or inspection of the Property.

[insert Permitted Encumbrances from title commitment]

TO HAVE AND TO HOLD the above-described Premises, together with all and singular the hereditaments thereunto belonging unto the said Grantee, its successors and assigns and Grantor covenants with Grantee, its successors and assigns, that it will warrant and forever defend the Premises to the said Grantee, its successors and assigns forever, against the lawful claims and demands of all persons claiming by, through or under the Grantor, except as to matters conveyed "subject to" set forth in the previous paragraph.

IN WITNESS WHEREOF, the duly authorized officers of Grantor have caused this deed to be executed and have set their hands and affixed the official seal of Grantor hereto this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

PLUM CREEK MAINE TIMBERLANDS, L.L.C.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[add acknowledgement]



**EXHIBIT I**

**(Intentionally Omitted)**



**EXHIBIT J**

**(Intentionally Omitted)**



**EXHIBIT K-1**

**The Roaches Property Easement Reservation Map**



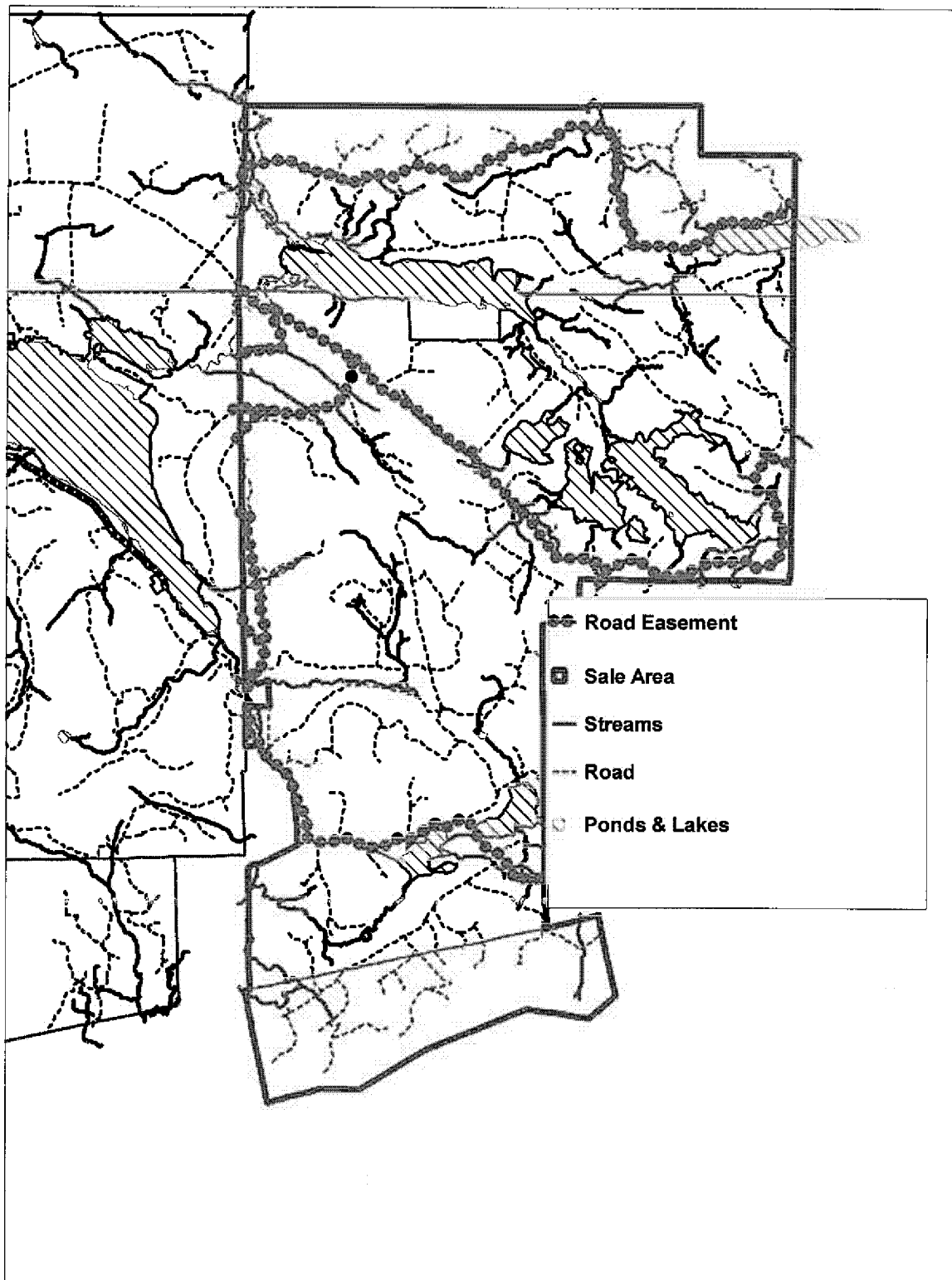


Exhibit K-1: Roaches Property Reserved Easements  
T1-R12, Shawtown, Bowdoin College East  
Piscataquis County, Maine



**EXHIBIT K-2**

**The Bog Property Easement Reservation Map**



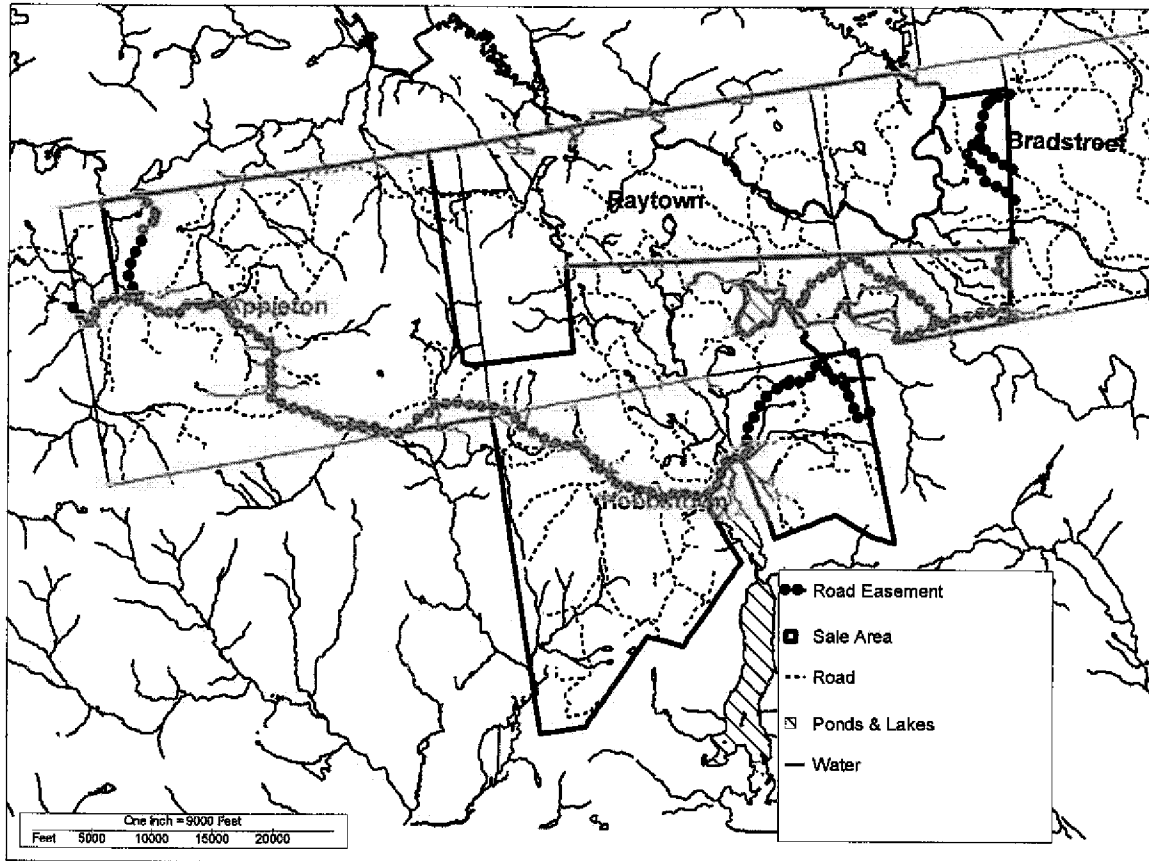


Exhibit K-2: Bog Properties Reserved Easements  
Appleton, Raytown, Hobbstown, Bradstreet  
Somerset County, Maine



## **EXHIBIT L**

### **Easement Terms and Conditions**

Terms, Provisions, and Conditions of the Easement Reservation:

1. Purpose. The Easement Reservation described herein is for ingress and egress over and across existing roads to allow Grantor's and Grantor's permittees use of such roads for timber hauling and other timberland management purposes.

2. Relocation. Grantee reserves unto itself and to its successors and assigns the right at its expense to relocate said road(s) subject to the condition that, except for distance and curvature, such relocated roadway provides the same type and quality of unpaved roadway as may be established and maintained at the time of such relocation.

3. Road Crossing. Grantee and its successors and assigns, reserves the right at all times and for any purpose to go upon, across and recross, at any place on grade or otherwise, said right-of-way road in a manner that will not unreasonably interfere with the rights reserved hereunder.

4. Third Parties. Grantee may grant to third parties, upon such terms as it chooses, access rights over the Easement Reservation; provided, that use by such third party shall be subject to the terms and conditions of this easement and shall not unreasonably interfere with the rights reserved hereunder.

5. Maintenance. The cost of road maintenance and resurfacing shall be allocated on the basis of respective uses of said road. When any party uses said road, or a portion thereof, that party shall perform or cause to be performed, or contribute or cause to be contributed, that share of the maintenance and resurfacing occasioned by such use as hereinafter provided. During periods when said road, or a portion thereof, is being used solely by one party, such party shall maintain that portion of said road so used to the standards existing at the time use is commenced.

During periods when more than one party is using said road, or a portion thereof, each party's share of maintenance and resurfacing shall be pro rata in proportion to its use thereof. The parties hereto shall meet and establish necessary maintenance provisions. For the purposes of this easement reservation, maintenance is defined as the work normally necessary to preserve and keep the roadway, road structure and road facilities as nearly as possible in their present condition or as hereafter improved.

6. Road Damage. Each party using any portion of said road shall repair or cause to be repaired at its sole cost and expense that damage to said road occasioned by it which is in excess of that which it would cause through normal and prudent usage of said road. Should inordinate damage to said road occur which is not caused by an authorized user of said road, the parties



hereto shall meet to agree on the cost of replacement, and the shares of replacement cost to be borne by each user of said road.

7. Construction and Improvement. Unless the parties hereto agree in writing to share the cost of improvements to said road in advance of such improvements being made, said improvements shall be solely for the account of the improver.

8. Right-of-Way Timber. Grantee reserves to itself all timber now on or hereafter growing within said right-of-way. Grantor shall have the right to cut timber upon the premises to the extent necessary for reconstructing, and maintaining the road. Timber so cut shall be cut into logs of lengths specified in advance by Grantee and decked along the road for disposal by Grantee.

9. Exercise of Rights. Grantor may permit its contractors, licensees, lessees, purchasers of timber and other valuable materials, and their agents, hereinafter individually referred to as "Permittee" and collectively referred to as "Permittees," to exercise the rights reserved to it herein.

10. Insurance. Before using said easement rights reserved for commercial purposes, Grantor, or its permittees shall obtain and, during the term of such use, maintain a policy of liability insurance customary in the State of Maine.

11. Indemnification. Grantor shall assume all risk of, and indemnify and hold harmless, and at Grantor's expense defend Grantee from and against any claims, loss, cost, legal actions, liability or expense on account of personal injury to or death of any persons whomsoever, including but not limited to employees of Grantor, or damage to or destruction of property of Grantee, or any fire, resulting partly or wholly, directly or indirectly from Grantor's exercise of the rights herein granted; provided, however, that Grantor's undertaking herein contained shall not be construed as covering personal injury to or death of persons, or damage to or destruction of property resulting from the negligence of Grantee.

12. Liens. Grantor shall keep Grantee's property free from liens arising in any manner out of the activities of itself and shall promptly discharge any such liens that are asserted.

13. Rights and Obligations. The rights and obligations hereunder shall inure to the benefit of and be binding upon the successors and assigns of the Grantor and Grantee.

14. Governing Law. This Agreement shall be interpreted, construed and enforced according to the laws of the State of Maine.



ENDORSEMENT #1

Exhibit m  
Page 1 of 2

Attached to Policy Number:

The Company hereby affirmatively insures the Insured against loss or damage which the Insured shall sustain by reason of:

- a. Lack of ~~title~~ access from each parcel depicted on Exhibit B to a public way, unless otherwise specifically excepted on Schedule B.
- b. Claims made by, through or under third parties claiming an interest in the premises by virtue of an unrecorded or lost deed which deed is referenced in the deeds to the Insured or its predecessors in title but lacks sufficient information to adequately describe the Premises or the rights, easements, reservations or restrictions in which the right, title and interest is claimed.
- c. Claims made by, through or under third parties claiming an interest in the premises by virtue of a recorded deed which deed is referenced in the deeds to the Insured or its predecessors in title but lacks recording references or correct recording references or sufficient description to adequately describe the Premises or the rights, easements, reservations or restrictions in which the right, title and interest is claimed.
- d. Rights, easements, covenants, conditions, restrictions, reservations and rights-of-way described in or referenced in Schedule B, Exhibit A, or the deeds to the Insured or its predecessors in title which hinder or interfere with the use of the Premises for commercial timber management and harvesting.
- e. Present violations on the land of any enforceable covenants, conditions or restrictions and any future violation on the land of any existing covenants, conditions or restrictions, provided the violation results in loss of title to the Insured's estate or interest in the land.
- f. Claims made by, through or under third parties arising as a result of warranty covenants given by the Insured's predecessors in title in any deed, easement, instrument or agreement, recorded or unrecorded.
- g. Any loss or damage arising from the assertion of any claims of flowage rights in the insured premises to a level exceeding the impoundment of water currently permitted by existing dams and related structures.

The Company agrees to issue future owner's and lender's policies with these affirmative coverages in the same form as this policy upon receipt of the then applicable premium subject to intervening matters of record.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Dated:

\_\_\_\_\_  
Title Insurance Company

\_\_\_\_\_  
Its Authorized Signatory



Proposed Endorsement No. 2

**First American Title Insurance Company**

**SPECIAL MAP ENDORSEMENT**

Attached to Policy No.

Issued By

**First American Title Insurance Company**

Except with respect to Parcels \_\_\_\_\_ [parcels where seller/surveyor cannot find location on GIS Map], the Company hereby insures the Insured against loss or damage sustained or incurred by the Insured by reason of the failure (a) of the land to be the same as that delineated on the GIS Map which purports to show the general configuration and location of the land, \_\_\_\_\_ County, made by \_\_\_\_\_ dated as of \_\_\_\_\_, 2006, under Job No. \_\_\_\_\_, (the "Map") or (b) of the Map to constitute a true and correct depiction of the land.

Notwithstanding the insurance afforded by the preceding paragraph, excluded from the coverage of this endorsement are matters arising by reason of discrepancies in acreage, boundary line disputes, overlaps, encroachments, and any other similar matters not of record which would be disclosed by an accurate survey and inspection of the land.

This endorsement is issued as part of policy. Except as it expressly states, it does not (i) modify any of terms and provisions of the policy, (ii) modify any prior endorsements (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: \_\_\_\_\_, 2006.

**First American Title Insurance Company**

By: **DRAFT**

Authorized Signatory

F.A. Special - Special Map Endorsement (8-8-06)  
ALTA Owner's or Loan Policy



IN WITNESS WHEREOF, the parties hereto have executed this instrument in duplicate the day and year first above written.

SELLER:

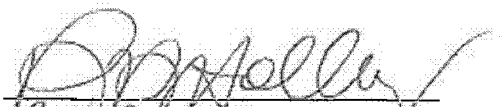
PLUM CREEK MAINE TIMBERLANDS, L.L.C.

Attest:

By

Name

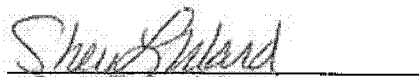
Title

  
RICK R. HOLLEY  
President & CEO

By

Name

Title

  
SHERI L. WARD  
Assistant Secretary

TIN: \_\_\_\_\_